

Exhibit D-2

Appraisal



Real Estate Appraisal Report

Ten Residential Condominium Units

Located At:

**172 Madison Avenue
Units 11B, 15B, 17B, 18B, 27A, PHA,
PHB, PHC, PHD, & PH SKY
New York, NY 10016**

Valuation Date:

September 10, 2024

Prepared For:

**Mr. Yitzchak Tessler
Madison 33 Owner LLC
C/O Tessler Developments LLC
461 Park Avenue South, Second Floor
New York, NY 10016**

Prepared By:

**Republic Valuations
184 Park Avenue
Brooklyn, New York 11205**





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September 20, 2024

Mr. Yitzchak Tessler
Madison 33 Owner LLC
C/O Tessler Developments LLC
461 Park Avenue South, Second Floor
New York, NY 10016

Re: 172 Madison Street
Units 11B, 15B, 17B, 18B, 27A, PHA, PHB, PHC, PHD, & PH SKY
New York, NY 10016
Block: 863, Lots: 1126, 1135, 1141, 1144, 1168, 1170, 1171, 1172, 1173 & 1174
New York County

Dear Mr. Tessler,

As you requested, I have examined, inspected and appraised the above referenced units for the purpose of formulating an opinion of market value. It is my conclusion that the aggregate ***As Is Market Value*** of the ***Fee Simple Interest*** of the subject's finished condominium units: 11B, 15B, 17B, 18B and 27A, which are finished, as of September 10, 2024, is:

Gross Sellout Value
THIRTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
\$13,800,000

Net Sellout Value
TWELVE MILLION DOLLARS
\$12,000,000

It is my conclusion that the aggregate **Prospective As Completed Market Value** of the **Fee Simple Interest** of the subject's unfinished condominium units PHA, PHB, PHC, PHD and PH SKY, as of September 10, 2025, is:

Gross Sellout Value
SEVENTY-FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS
\$75,500,000

Net Sellout Value
SIXTY-SIX MILLION DOLLARS
\$66,000,000

In addition, it is the opinion of the appraiser, that the aggregate **As Is Market Value** of the **Fee Simple Interest** of the subject's unfinished condominium units PHA, PHB, PHC, PHD and PH SKY, as of September 10, 2024, is:

THIRTY-THREE MILLION ONE HUNDRED THOUSAND DOLLARS
\$33,100,000

The subject is located at the northwest corner of Madison Avenue and East 33rd Street in the Midtown section of Manhattan, New York (New York County). The subject consists of ten residential condominium units identified in the New York County Tax Maps as Block: 863, Lots: 1126, 1135, 1141, 1144, 1168, 1170, 1171, 1172, 1173 & 1174. Per the ZD-1, the land area of the site which the condominium building occupies is 10,702± square feet.

The subject consists of 10 residential condominium units out of the 74 condominium units located in a 33-story (34 with 32nd floor's mezzanine) mixed-use condominium building, known as the 172 Madison Avenue Condominium. The building contains two commercial units on the first floor, each with storage in the cellar, and residential condominium units on the floors above. Per the ZD1, the entire condominium building's gross building area is 141,513± square feet above grade, plus additional square feet in the cellar and sub-cellars. The building construction commenced in 2017± and is currently in the final stages of completion.

The subject of this appraisal is comprised of units 11B, 15B, 17B, 18B, 27A, PHA, PHB, PHC, PHD, & PH SKY. Per the information submitted, units 11B, 15B, 17B, 18B are all finished 1,488± square foot 2-bedroom 2.5-bath apartments, unit 27A is a finished 2,146± square foot 3-bedroom 3.5-bath apartment, units PHA, PHB, PHC, PHD are all unfinished

3,548± square foot units to be finished as 5-bedroom 4.5-bath apartments featuring private outdoor space, and unit PH SKY is an unfinished 5,623± square foot triplex unit that will be finished as an 11-bedroom 14-bath apartment with a private roof deck, jacuzzi and pool. Common building amenities include a concierge department, indoor and outdoor lounges, gym, pool and jacuzzi, spa, storage facility, pet spa, bike room, and playroom. The total combined net rentable area of the subject's units is 27,744± square feet above grade.

As noted above, units 11B, 15B, 17B, 18B, 27A are fully finished and units PHA, PHB, PHC, PHD, & PH SKY are in "vanilla-box" condition requiring interior finishes.

The table that follows summarizes the breakdown of the units comprising the subject.

SUBJECT UNIT BREAKDOWN							
Tax Lot	Unit	Floor	Beds	Baths	Size (SF)	Unit Amenity	Finished
1126	11B	11	2	2.5	1,488		Yes
1135	15B	15	2	2.5	1,488		Yes
1141	17B	17	2	2.5	1,488		Yes
1144	18B	18	2	2.5	1,488		Yes
1168	27A	27	3	3.5	2,146		Yes
1170	PHA	28	5	4.5	3,548	Terrace	No
1171	PHB	29	5	4.5	3,548	Terrace	No
1172	PHC	30	5	4.5	3,548	Terrace	No
1173	PHD	31	5	4.5	3,548	Terrace	No
1174	PH SKY 32+Mez, 33	11	14	5,623		Roof Deck, Pool, Jacuzzi	No
Total	10		42	45.5	27,913		

This appraisal does not take into consideration the possibility that the subject may be contaminated with asbestos, PCBs, or any other toxic, hazardous or radioactive substance. The value reported will be exclusive of the cost to discover, encapsulate, remove, or render harmless such improvements due to treatment. If you have any concern that such substances may be on the property, you should hire a qualified independent engineer or contractor to investigate the property. We cannot assume any responsibility for the discovery, analysis, or treatment of such substances either in the subject or surrounding properties.

This report is subject to the Limiting Conditions, Certification and Special Assumptions contained herein. It has been written in conformity with, and is subject to, the Requirements of the Code of Professional Ethics and the Standards of Professional Conduct of the Appraisal Institute. It is also understood that this report is prepared in compliance with FIRREA, USPAP, FDIC, OCC, and 12CFR.34 regulations.

Extraordinary Assumption:

- The appraisal is based on the assumption that the condominium and units' layouts are legal and that all necessary permits and approvals have been obtained in order to complete the interior of the unfinished units legally and efficiently.
- This appraisal is based on the assumption that completion of the interior of the unfinished units proceeds as per the information, specifications and costs provided to the appraiser.
- The value is based upon current market conditions that are assumed to remain stable through completion.
- This appraisal is based on the assumption, that the time of completion of construction is 12 months, and an additional 6 months for sellout.
- The value is based on the unit areas provided to the appraiser.

Hypothetical Conditions:

- None

If these assumptions prove to be inaccurate, the value conclusions may be materially impacted.

The following report is a detailed summary of the pertinent data and analyses used in arriving at our conclusions.

Respectively submitted,



Victor Schlesinger
Certified General RE Appraiser
Cert.# 46000047078

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Subject Exterior Photos

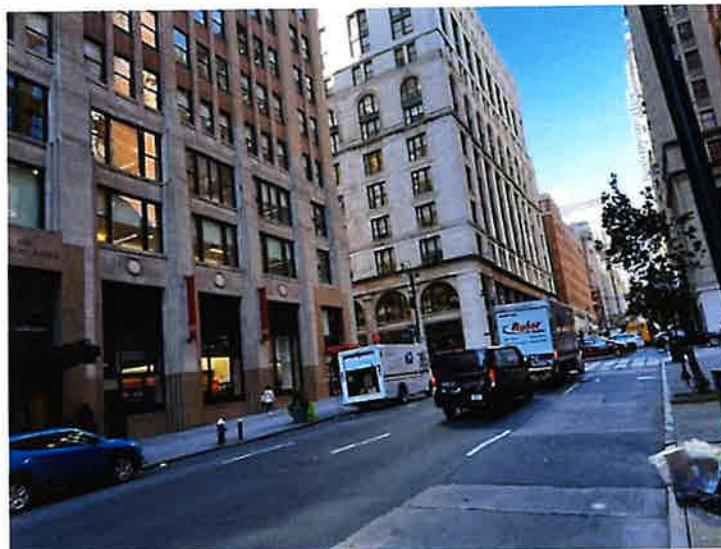


Subject Property



Subject Property

Street Scene Photos



Madison Avenue



Madison Avenue

Subject Interior Photos



Public Lounge



Pool



Lockers

Subject Interior Photos



Pool



Jacuzzi



Excercise Room

Subject Interior Photos



Bike Room



Public Lounge



Playroom

Subject Interior Photos



Unit 11B



Bathroom



Kitchen

Subject Interior Photos



Bathroom



Washer/Dryer



Kitchen

Subject Interior Photos



Bathroom



Bedroom



Unit 17B

Subject Interior Photos



Dining/Living Room

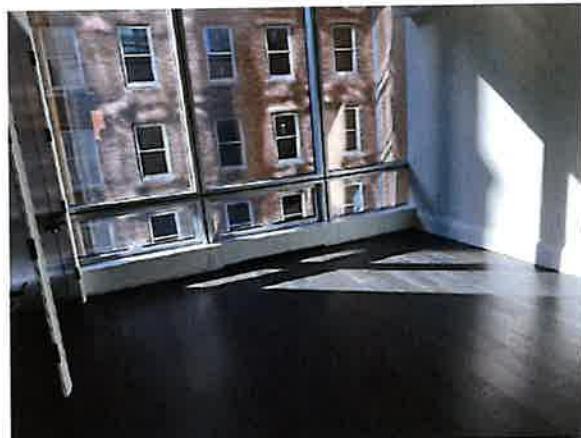


Bedroom



Bathroom

Subject Interior Photos



Bedroom



Bathroom



Unit 27B

Subject Interior Photos



Bedroom



Unit's View



Unit's View

Subject Interior Photos



Bedroom



Bathroom

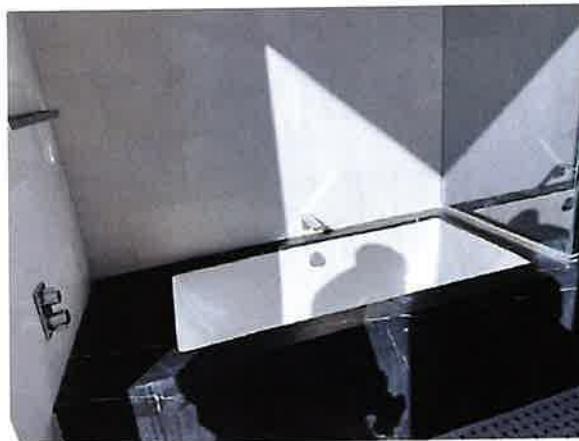


Kitchen

Subject Interior Photos



Bathroom



Bathtub



Bathroom

Subject Interior Photos



Dining/Living Room



Dining/Living Room



Hallway

Subject Interior Photos



Penthouse Interior



Penthouse Interior



Penthouse Interior

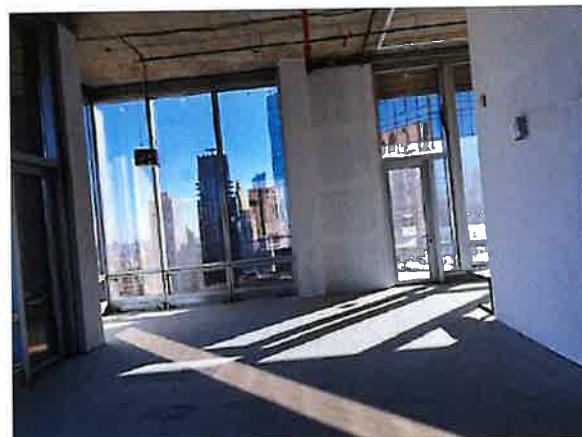
Subject Interior Photos



Penthouse Interior



Penthouse Interior



Penthouse Interior

Subject Interior Photos



Skyhouse Unit Interior



Skyhouse Unit Interior



Skyhouse Unit Interior

Cellar and Mechanicals



Cellar and Mechanicals



Underlying Assumptions

This appraisal report was prepared in accordance with the following underlying assumptions. It is to be understood that a client's request for, and acceptance of, this appraisal report constitutes the acceptance of these underlying assumptions.

- ♦ **Legal Matters:** The legal description used in this report is assumed to be correct, but it may not necessarily have been confirmed by a survey. No responsibility is assumed for legal descriptions, surveys or for easements, encroachments, rights of way, overlapping or other discrepancies that might be revealed thereby. Any sketches included in the report are only for the purpose of aiding the reader in visualizing the property and are not necessarily a result of a survey. Whenever surveys are provided, the appraiser or appraisers do not guarantee their accuracy.

No responsibility is assumed for an opinion of legal nature, such as to ownership of the subject or, the subsequent condition of title.

The appraiser assumes that the title to the subject is marketable; unless stated to the contrary, the subject is appraised as an unencumbered estate which is not used in violation of applicable and acceptable ordinances, statutes or other governmental regulations.

The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, encumbering the subject as well as any other existing documentation that may reveal important information about the subject. At no point is the appraiser responsible for discovering and providing any such documentation to the client. It is neither possible nor practical for the appraiser to validate with a high degree of accuracy all information and documentation that may be provided to him during the course of an assignment. However, in cases where discrepancies, inconsistencies, and inaccuracies are evident, the appraiser will draw conclusions in a logical manner as would reasonably be expected based on all the available information.

- ♦ **Unapparent Conditions:** The appraiser assumes that there are no hidden or unapparent conditions of the subject, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser is not an expert in determining the presence or absence of hazardous substances, which is defined for the purpose of this report; as all hazardous or toxic materials, waste, pollutants or contaminants (including, but not limited to, asbestos, PCB's, UFFI, or other raw materials or chemicals) used in construction or otherwise present in the property or on the site. The appraiser assumes no responsibility for the studies or analysis which would be required to conclude the presence or absence of such

Underlying Assumptions

substances or for any loss arising as a result of the presence of such substances. The client is urged to retain an expert in this field, wherever circumstances deem if necessary. The value conclusions contained in this report are based on the assumption that the subject is not affected by any such substances.

- * Conditions are considered to be unapparent when: pertinent information is undisclosed or withheld, not readily or publicly available, or which otherwise does not become known in the normal course of the appraisal assignment.
- ◆ **Information and Data:** Information, estimates, and opinions furnished to the appraiser or appraisers and contained in the report, were obtained from sources considered to be reliable and believed to be true and correct. Whenever possible, information is verified by means of several sources. The sources of such information are cited wherever possible. However, no responsibility for the accuracy of such items is assumed by the appraiser or appraisers.

All mortgages, liens, encumbrances, and servitudes have been disregarded unless so specified within the body of the appraisal report. The subject is appraised as though under responsible ownership and competent management.

- ◆ **Zoning and Licenses:** It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconforming use has been stated, defined and considered in the valuation and subsequently discussed within the body of this report. It is assumed that the subject property complies with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the valuation process. It is assumed that the information relating to the location of or existence of public utilities that has been obtained through inquiries from the appropriate utility authorities, or has been ascertained from visual evidence is correct. No warranty is made regarding the exact location or capacities of public utility systems. It is also assumed that all licenses, certificates, consents or other legislative or administrative authorities from local, state or national governmental or private entities or organizations have been, or can be, obtained or renewed for any use on which the value estimate contained in the appraisal report is based.

Limiting Conditions

This appraisal report was prepared in accordance with the following limiting conditions. It is to be understood that a client's request for, and acceptance of, this appraisal report constitutes the acceptance of these limiting conditions.

- ◆ The appraiser will not be required to give testimony or appear in court as a result of preparing the appraisal with reference to the subject in question, unless prior arrangements have been made and agreed upon to that effect.
- ◆ Possession of this report does not carry with it the right of publication. Out-of-context quotations or partial reprinting of this appraisal report is not authorized. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraiser signing this appraisal report.
- ◆ Disclosure of the contents of this report is governed by the By-Laws and Regulations of The Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or appraisers or the firm with which the appraiser (s) is associated, or any reference to The Appraisal Institute or to the appraiser's designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the respective appraiser or appraisers.
- ◆ The distribution of the total valuation in this report, between land and improvements, is applicable only as it is utilized in this appraisal. The land value, or the separate value of the improvements, must not be used in conjunction with any other appraisal or estimate and is invalid if so used.

An appraisal related to an estate in land that is less than the whole Fee Simple Estate applies only to the fractional interest or interests involved. The value of this fractional interest plus the value of all other fractional interests may or may not equal the value of the entire Fee Simple Estate considered as a whole.

The appraisal report related to a geographical portion of a larger parcel is applied only to such geographical portion and should not be considered as applying with equal validity to other portions of the larger parcel or tract as a whole. The value for such geographical portions plus the value of all other geographical portions may or may not equal the value of the entire parcel or tract considered as a whole.

- ◆ The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors,

Limiting Conditions

and a continued stable economy. These forecasts are, therefore, subject to change as conditions change.

- ◆ The plans, specifications, and representations referred to herein are an integral part of the appraisal report when new construction, additions, renovations, or remodeling is either evident or proposed. As such the appraisal is subject to any proposed improvements or additions being completed as set forth in the plans, specifications, and representations referred to in the report, and all work being performed in a good and workmanlike manner. The appraisal is further subject to the proposed improvements or additions being constructed in accordance with the regulations of the local, county, and state authorities.
 - ◆ No environmental or concurrency impact studies were either requested or made in conjunction with this appraisal report. The appraiser, thereby, reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental or concurrency impact studies, research or investigation subsequent to the completion of this appraisal report.
 - ◆ The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the subject. Since the appraiser is not considered an expert with these issues, possible noncompliance with the requirements of ADA and its impact on the value of the subject has not been considered.
-

This appraisal report complies with the requirements set forth in title XI CFR part 225.61 et seq; of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, commonly known as "FIRREA". The appraisal also conforms to the Uniform Standards of Professional Appraisal Practice ("USPAP") and discloses any steps taken that were necessary or appropriate to comply with the competency provision of USPAP, and that this appraisal is not based on a requested minimum valuation, a specific valuation or the approval of a loan.

Appraiser's Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Practice*
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
- As of the date of this report, I have completed the continuing education program for Practicing Affiliates of the Appraisal Institute.



Victor Schlesinger
Certified General RE Appraiser
Cert.# 46000047078

Summary of Salient Facts

Location:	172 Madison Avenue New York, NY 10016 New York County
Unit Identification:	Block: 863, Lots: 1126, 1135, 1141, 1144, 1168, 1170, 1171, 1172, 1173 & 1174
Property Type:	Condominiums - Mixed Residential & Commercial Building (RM)
Owner:	Madison 33 Owner LLC
Property Rights Appraised:	Fee Simple
<u>Site Description</u>	
Lot Size:	10,702± square feet
Zoning:	C5-2 - Commercial
Topography:	Generally level and at grade with surrounding roadways.
Utilities:	Water, sewer, gas, electric and phone service are available and connected to the units.
Utility:	Average

Improvements

The subject consists of 10 residential condominium units out of the 74 condominium units located in a 33-story (34 with 32nd floor's mezzanine) mixed-use condominium building, known as the 172 Madison Avenue Condominium. The building contains two commercial units on the first floor, each with storage in the cellar, and residential condominium units on the floors above. Per the ZD1, the entire condominium building's gross building area is 141,513± square feet above grade, plus additional square feet in the cellar and sub-cellars. The building construction commenced in 2017± and is currently in the final stages of completion. The building features additional amenities such as a gym, pool, pet spa and playroom in the cellar

Summary of Salient Facts

The subject of this appraisal is comprised of units 11B, 15B, 17B, 18B, 27A, PHA, PHB, PHC, PHD, & PH SKY. Per the information submitted, units 11B, 15B, 17B, 18B are all finished 1,488± square foot 2-bedroom 2.5-bath apartments, unit 27A is a finished 2,146± square foot 3-bedroom 3.5-bath apartment, units PHA, PHB, PHC, PHD are all unfinished 3,548± square foot units to be finished as 5-bedroom 4.5-bath apartments featuring private outdoor space, and unit PH SKY is an unfinished 5,623± square foot triplex unit that will be finished as an 11-bedroom 14-bath apartment with a private roof deck, jacuzzi and pool. Common building amenities include a concierge department, indoor and outdoor lounges, gym, pool and jacuzzi, spa, storage facility, pet spa, bike room, and playroom. The total combined net rentable area of the subject's units is 27,744± square feet above grade.

As noted above, units 11B, 15B, 17B, 18B, 27A are fully finished and units PHA, PHB, PHC, PHD, & PH SKY are in "vanilla-box" condition requiring interior finishes.

The table that follows summarizes the breakdown of the units comprising the subject.

SUBJECT UNIT BREAKDOWN							
Tax Lot	Unit	Floor	Beds	Baths	Size (SF)	Unit Amenity	Finished
1126	11B	11	2	2.5	1,488		Yes
1135	15B	15	2	2.5	1,488		Yes
1141	17B	17	2	2.5	1,488		Yes
1144	18B	18	2	2.5	1,488		Yes
1168	27A	27	3	3.5	2,146		Yes
1170	PHA	28	5	4.5	3,548	Terrace	No
1171	PHB	29	5	4.5	3,548	Terrace	No
1172	PHC	30	5	4.5	3,548	Terrace	No
1173	PHD	31	5	4.5	3,548	Terrace	No
1174	PH SKY	32+Mez, 33	11	14	5,623	Roof Deck, Pool, Jacuzzi	No
Total		10	42	45.5	27,913		

Summary of Salient Facts

Conclusions

Highest and Best Use "As Vacant":	Mixed-Use Development
Highest and Best Use "As Improved":	Current Use and Finishing of Interior

Aggregate As Is Market Values (Units 11B, 15B, 17B, 18B and 27A)

Gross Sellout Value Conclusion	\$13,800,000
Net Sellout Value Conclusion	\$12,000,000

Aggregate As Is Market Values (Units PHA, PHB, PHC, PHD and PH SKY)

As Is Market Value Conclusion	\$33,100,000 (via Net Residual Method)
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Aggregate As Proposed Market Values (Units PHA, PHB, PHC, PHD and PH SKY)

Gross Sellout Value Conclusion	\$75,500,000
Net Sellout Value Conclusion	\$66,000,000

As Is Value Date:	September 10, 2024
Inspection Date:	September 10, 2024
Report Date:	September 20, 2024
Prospective As Completed Value Date:	September 10, 2025

Extraordinary Assumption:

- The appraisal is based on the assumption that the condominium and units' layouts are legal and that all necessary permits and approvals have been obtained in order to complete the interior of the unfinished units legally and efficiently.
- This appraisal is based on the assumption that completion of the interior of the unfinished units proceeds as per the information, specifications and costs provided to the appraiser.
- The value is based upon current market conditions that are assumed to remain stable through completion.
- This appraisal is based on the assumption, that the time of completion of construction is 12 months, and an additional 6 months for sellout.
- The value is based on the unit areas provided to the appraiser.

If these assumptions prove to be inaccurate, the value conclusions may be materially impacted.

Important Definitions

Market Value
“Market value means the most probable price which a property should bring in a competitive and open market under all condition’s requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”¹

Fee Simple Estate.....
“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat”²

Leased Fee Interest.....
“The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.”³

Insurable Value.....
“A type of value for insurance purposes.”⁴

¹ 12 CFR (Code of Federal Regulations) Section 34.42(h), January 1, 2020, p. 618-619

² The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 73.

³ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 105.

⁴ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 323.

Important Definitions

Condominium.....

"An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally."⁵

Condominium Ownership.....

A form of ownership of separate units or portions of buildings, parking lots, boat docks, or other property with multiple units and multiple owners that provides for formal filing and recording of a divided interest in real estate.⁶

Extraordinary Assumption.....

"An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis."⁷

Hypothetical Condition.....

"a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."⁸

⁵ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 37.

⁶ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 37.

⁷ Uniform Standards of Professional Appraisal Practice, 2020-2021 ed. (Washington DC: Appraisal Standards Board of The Appraisal Foundation, 2020), p. 4.

⁸ Uniform Standards of Professional Appraisal Practice, 2020-2021 ed. (Washington DC: Appraisal Standards Board of The Appraisal Foundation, 2020), p. 4.

Executive Summary

Purpose Of the Appraisal

This appraisal has been performed for the purpose of estimating the As Is Market Values, and Prospective As Completed Gross and Net Sellout Market Values for the subject property, as of September 10, 2024 and September 10, 2025, respectively. This report reflects the probable Market Value under typical selling conditions prevalent as of the dates of value.

Intended Use, Client & Intended User

The intended use of this appraisal is to estimate the aggregate finished and unfinished As Is Market Values of the subject as well as the aggregate Prospective As Completed Market Value of the unfinished condominium units comprising the subject, for bankruptcy court purposes.

The client and intended user of this report is Mr. Yitzchak Tessler, C/O Tessler developments LLC. No additional intended users are identified by the appraiser.

Identification Of the Subject

The subject is located at the northwest corner of Madison Avenue and East 33rd Street in the Midtown section of Manhattan, New York (New York County). The subject consists of ten residential condominium units identified in the New York County Tax Maps as Block: 863, Lots: 1126, 1135, 1141, 1144, 1168, 1170, 1171, 1172, 1173 & 1174. Per the ZD-1, the land area of the site which the condominium building occupies is 10,702± square feet. The subject units are further identified within the body of this appraisal report.

Property Rights Appraised

This valuation estimates the **Fee Simple Interest**. No estimate of business value is included within the scope of this appraisal.

Executive Summary

Estimate Of Exposure Time

Exposure time is defined as:

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)”⁹

Based on discussions with brokers active in the local market, exposure time for properties similar to the subject has historically approximated three to nine months depending on the size, location, and condition of the property. Exposure time for the subject is estimated to be six months.

Estimate Of Marketing Time

Marketing time is defined as:

“An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.)”¹⁰

Based on discussions with brokers active in the local market, marketing time for properties similar to the subject has historically been three to nine months. Marketing time for the subject is estimated to be six months.

⁹ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 67-68.

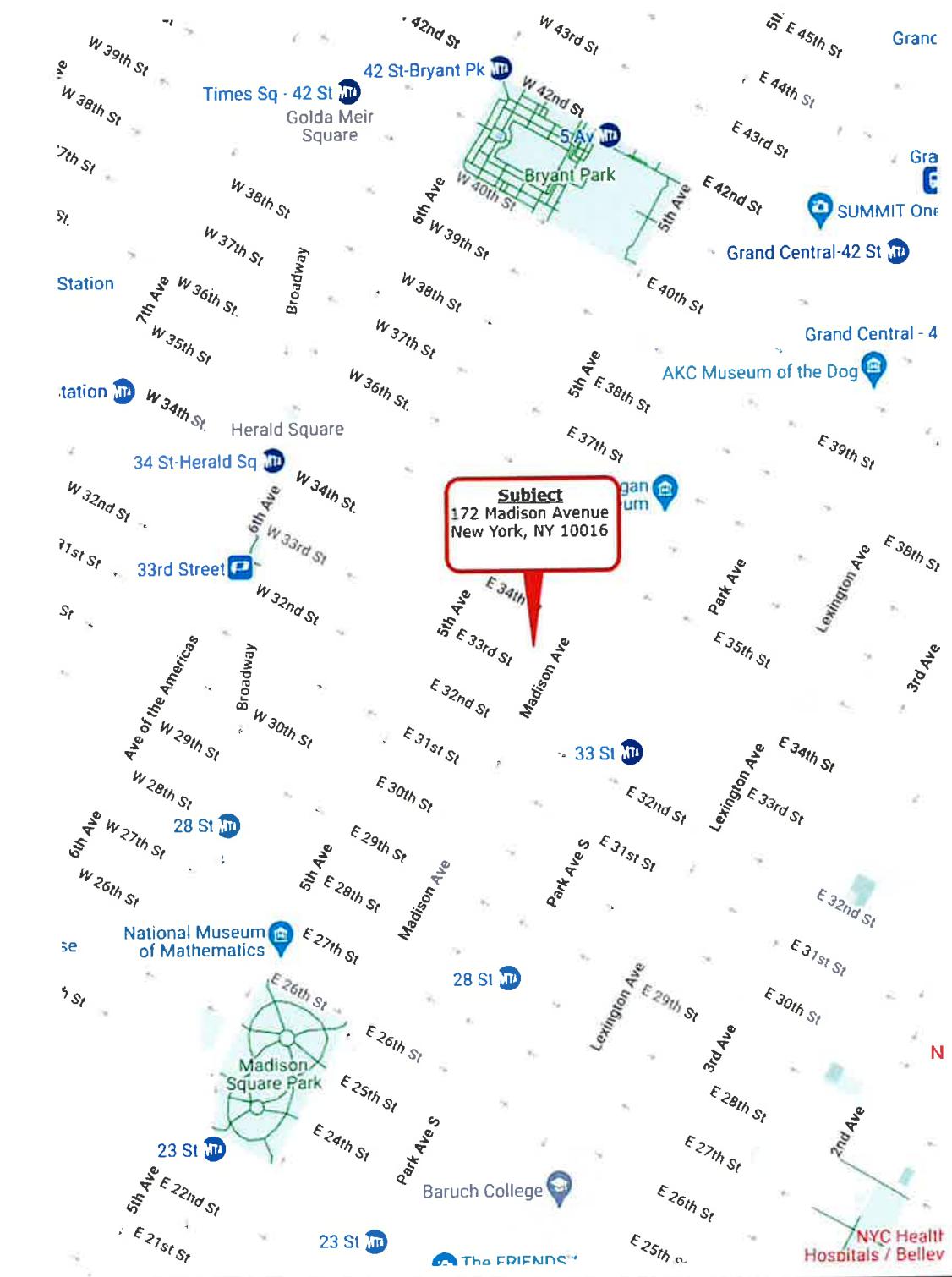
¹⁰ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 116.

Scope of the Appraisal

The scope of the appraisal encompasses the necessary research and analysis to prepare the report in accordance with the intended use, the Standards of Professional Practice of The Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation. The steps typically involved in the valuation process are as follows:

1. The subject is physically inspected as of the date indicated in the Summary of Salient Facts section of this report. Interior photographs included in this report are taken on the date of inspection. Exterior and area photographs are taken on or after the date of inspection.
2. Regional, county, municipal and neighborhood data is based on information gathered from various sources including state agencies, newspaper publications, trade publications supplied by commercial sources, multiple listing systems, market participants (i.e., buyers - sellers - brokers) as well as the appraiser's physical inspection and analysis of the area.
3. Data relating to the subject is based on the appraiser's physical inspection of the improvements, as well as building plans and or site information supplied by municipal agencies or the owner, measurements made at the inspection, and information extracted from the deed as well as other similar documentation. In cases where the improvements are proposed information is based on available blueprints or other similar documentation.
4. In estimating The Highest and Best Use for the subject, an analysis is made of the data compiled in the previously noted steps. And; a study of the subject market area is conducted to determine which aspects of The Highest and Best Use are applicable to the subject.
5. In developing applicable approaches to value, the appraiser analyzes market data relevant to the subject. Sales of land, improved properties and leases similar to the subject are researched from a variety of sources which may include SR1A records, deed transactions reported by commercial information services, multiple listing services, interviews with municipal officials, realtors, other appraisers, and buyers and sellers. Whenever possible, information is verified by more than one source in order to guarantee its accuracy. The search for data begins in the subject community and is expanded into surrounding communities until sufficient data is collected.
6. Only after assembling and analyzing the data defined in the Scope of the Appraisal, can the appraiser establish a final estimate of Market Value.

Location Maps



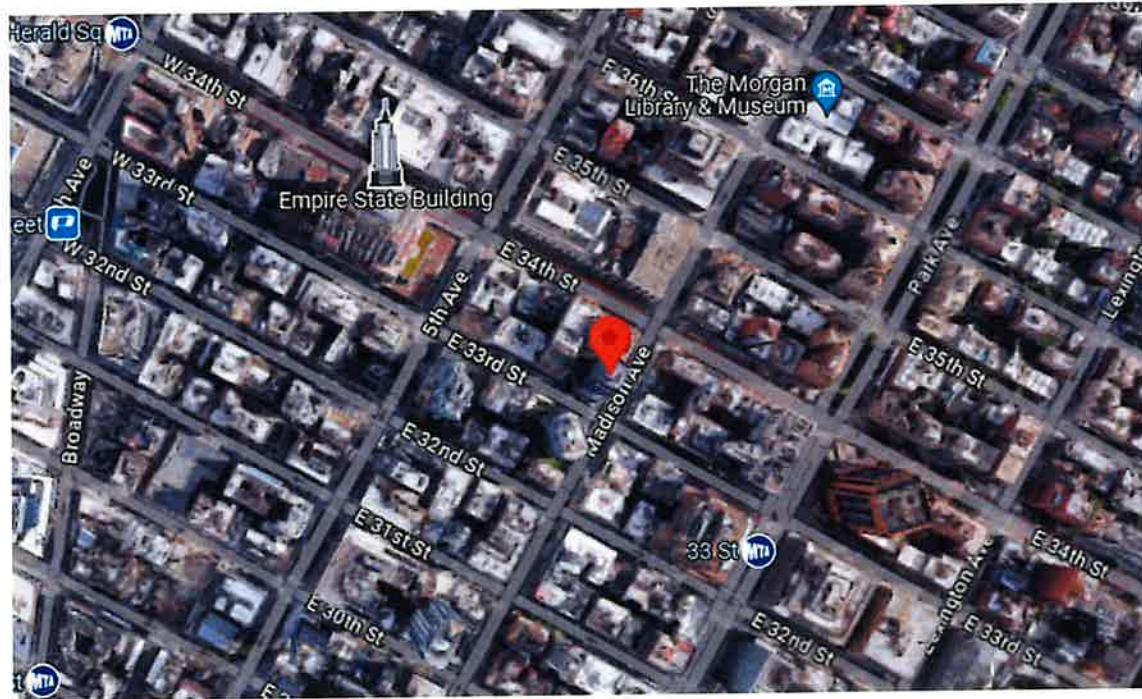
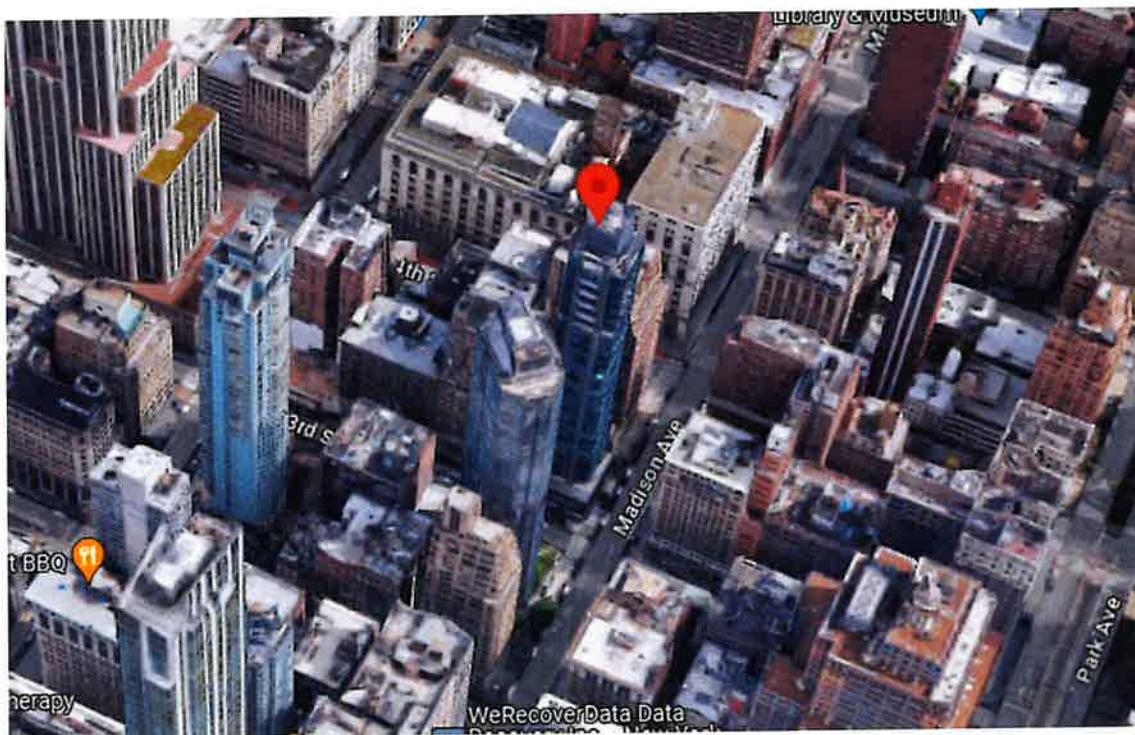
Location Maps



Location Maps

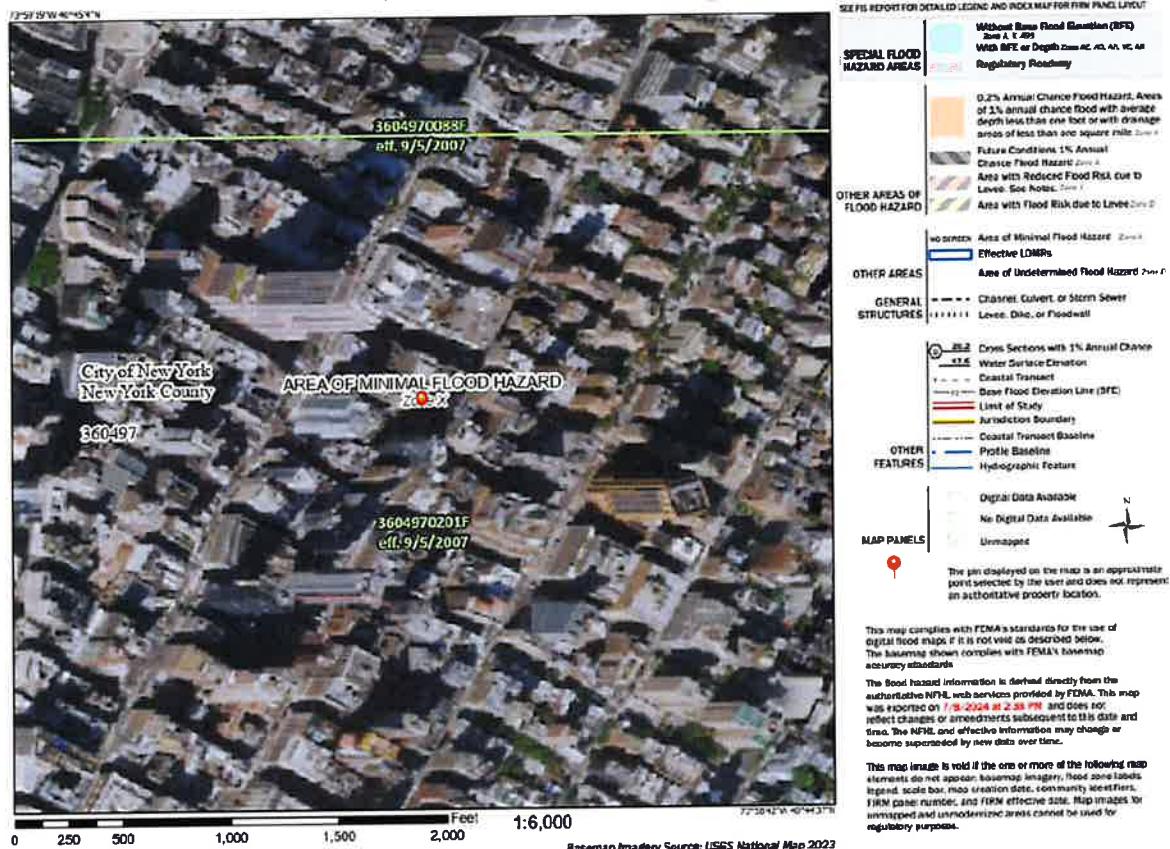


Aerial Maps



Flood Map

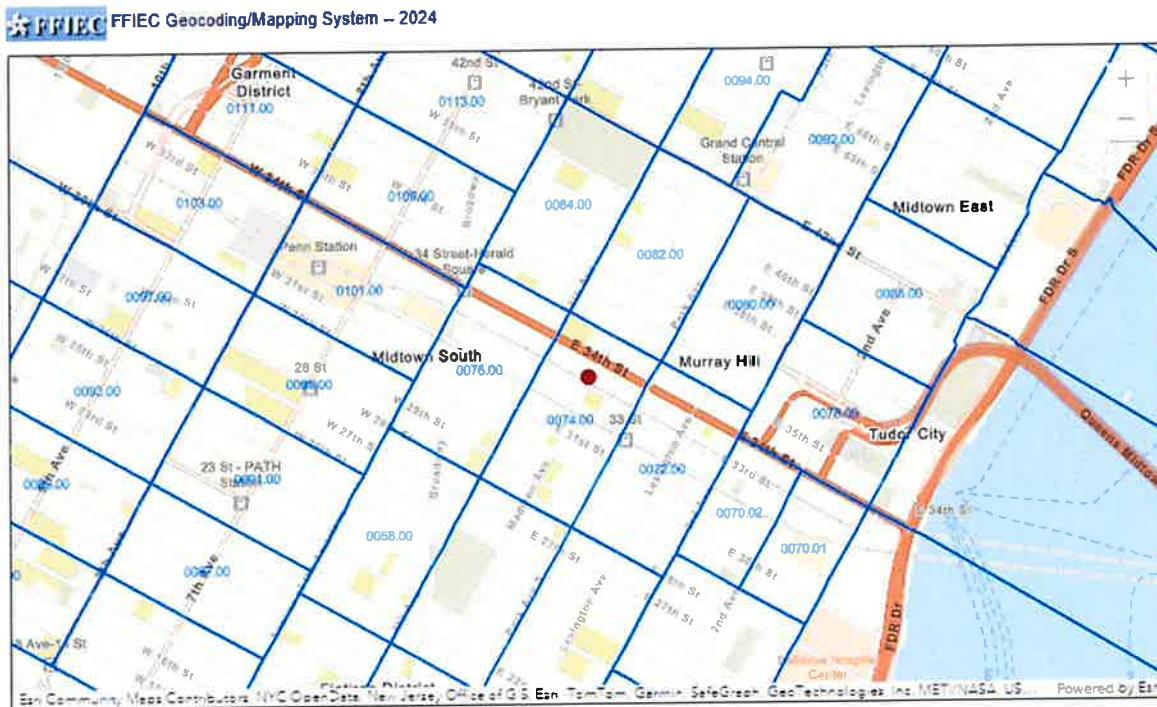
National Flood Hazard Layer FIRMette



Flood Map

The subject property is in a Zone X, an area of minimal flood hazard, usually depicted on flood insurance rate maps (FIRMs) as above the 500-year flood level.

Census Map



Subject Site Location and Description

Street, Access and Frontage	
Street Name	Madison Avenue
Frontage Feet	84.06±
Street Type	Residential and Commercial
Street Width	75 Feet
Direction of Traffic	One Way
Lanes	Two
Street Name	East 33rd Street
Frontage Feet	120±
Street Type	Residential and Commercial
Street Width	60 Feet
Direction of Traffic	One Way
Lanes	One
Lot Influence	Corner
Traffic Lights	Yes
Curbs	Yes
Sidewalks	Yes
Street Parking	Yes
Bike Lane	No
Traffic Levels	Average
External Obsolescence	None
Site Position	
Surrounding Properties	Residential and Mixed-Use
Strengths	
Site Located in the Vicinity of	
Transportation	Yes
Shopping areas	Yes
Eateries	Yes
Schools	Yes
Health Centers, Hospitals	Yes
Public Parks	Yes
House of Worship	Yes
Additional Strengths	
The subject is located on Madison Avenue; a busy street.	
Additional Factor	
The subject is located in close proximity to the Empire State Building.	

Subject Site Location and Description

The subject is located at the northwest corner of Madison Avenue and East 33rd Street in the Midtown section of Manhattan, New York (New York County). The subject consists of ten residential condominium units identified in the New York County Tax Maps as Block: 863, Lots: 1126, 1135, 1141, 1144, 1168, 1170, 1171, 1172, 1173 & 1174.

The subject is located in a prime location; on Madison Avenue in close proximity to East 34th Street, and the Empire State Building.

Madison Avenue is a north-south avenue in the borough of Manhattan in New York City, United States, that carries northbound one-way traffic. It runs from Madison Square (at 23rd Street) to meet the southbound Harlem River Drive at 142nd Street, passing through Midtown, the Upper East Side (including Carnegie Hill), East Harlem, and Harlem. It is named after and arises from Madison Square, which is itself named after James Madison, the fourth President of the United States.

Conclusion:

The subject is located in a well-established, area and is located in the vicinity of nearby shopping areas, eateries, schools, health clinics and public parks.

Location Description

Subject Location: Midtown Manhattan, New York, NY

Manhattan is the most densely populated and geographically smallest of the five boroughs of New York City. The borough is also coextensive with New York County, one of the original counties of the U.S. state of New York. Located near the southern tip of the State of New York, Manhattan is based in the Eastern Time Zone and constitutes both the geographical and demographic center of the Northeast megalopolis and the urban core of the New York metropolitan area, the largest metropolitan area in the world by urban landmass. Over 58 million people live within 250 miles of Manhattan, which serves as New York City's economic and administrative center, cultural identifier, center of glamor, and the city's historical birthplace. Residents of the outer boroughs of New York City often refer to Manhattan as "the City".

Manhattan has been described as the cultural, financial, media, and entertainment capital of the world, and hosts the United Nations headquarters. Manhattan also serves as the headquarters of the global art market, with numerous art galleries and auction houses collectively hosting half of the world's art auctions.

Situated on one of the world's largest natural harbors, the borough consists mostly of Manhattan Island, bounded by the Hudson, East, and Harlem rivers along with several small adjacent islands, including Roosevelt, U Thant, and Randalls and Wards Islands. The Borough of Manhattan also includes the small neighborhood of Marble Hill on the U.S. mainland, which was separated from Manhattan Island by construction of the Harlem Ship Canal and was later connected using landfill to the Bronx. Manhattan Island is divided into three informally bounded components, each cutting across the borough's long axis: Lower, Midtown, and Upper Manhattan.

Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial and fintech center of the world, and Manhattan is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and Nasdaq. Many multinational media conglomerates are based in Manhattan, and the borough has been the setting for numerous books, films, and television shows. Driven by Manhattan, New York's real estate market is the most expensive in the world, with the value of Manhattan Island, including real estate, estimated to exceed US\$4 trillion in 2021. Median residential property sale prices in Manhattan approximated US\$1,600 per square foot (\$17,000/m²)

Location Description

as of 2018, with Fifth Avenue in Midtown Manhattan commanding the highest retail rents in the world, at US\$3,000 per square foot ($\$32,000/m^2$) per year in 2017. In 2022, the average monthly apartment rent in Manhattan climbed over US\$5,000 for the first time.

New York County is the smallest county by land area in the contiguous United States, as well as the most densely populated U.S. county. Manhattan is one of the most densely populated locations in the world, with a 2020 census population of 1,694,251 living in a land area of 22.83 square miles (59.13 km^2), or 72,918 residents per square mile (28,154 residents/km 2), higher than the density of any individual U.S. city. On business days, the influx of commuters increases this number to over 3.9 million, or more than 170,000 people per square mile (66,000 people/km 2). Manhattan has the third-largest population of New York City's five boroughs, after Brooklyn and Queens, and is the smallest borough in terms of land area. If each borough were ranked as a city, Manhattan would rank as the sixth-most populous in the U.S.

Many districts and landmarks in Manhattan are well known, as New York City received a record 62.8 million tourists in 2017, and Manhattan hosts three of the world's 10 most-visited tourist attractions in 2013: Times Square, Central Park, and Grand Central Terminal. The Empire State Building has become the global standard of reference to describe the height and length of other structures. Penn Station in Midtown Manhattan is the busiest transportation hub in the Western Hemisphere. The borough hosts many prominent bridges, including the Brooklyn, Manhattan, Williamsburg, Queensboro, Triborough, and George Washington Bridges; tunnels such as the Holland and Lincoln Tunnels; skyscrapers including the Empire State Building, Chrysler Building, and One World Trade Center; and parks, such as Central Park. The City of New York was founded at the southern tip of Manhattan, and the borough houses New York City Hall, the seat of the city's government. Numerous colleges and universities are located in Manhattan, including Columbia University, New York University, Cornell Tech, Weill Cornell Medical College, and Rockefeller University, which have been ranked among the top 40 in the world. The Metropolitan Museum of Art is both the largest and most visited art museum in the United States and hosts the globally focused Met Gala haute couture fashion event annually. Governors Island in New York Harbor is planned to host a US\$1 billion research and education center poised to make New York City the global leader in addressing the climate crisis.

Location Description

Demographics

In 2020, 1,694,251 people lived in Manhattan. At the 2010 U.S. census, there were 1,585,873 people living in Manhattan, an increase of 3.2% since 2000. Since 2010, Manhattan's population was estimated by the U.S. Census Bureau to have increased 2.7% to 1,628,706 as of 2018, representing 19.5% of New York City's population of 8,336,817 and 8.4% of New York State's population of 19,745,289.

As of the 2020 census, the population density of New York County was 74,870.7 inhabitants per square mile ($28,907.7/\text{km}^2$), the highest population density of any county in the United States.

Manhattan is one of the highest-income places in the United States with a population greater than one million. As of 2012, Manhattan's cost of living was the highest in the United States. Manhattan is also the United States county with the highest per capita income, being the sole county, whose per capita income exceeded \$100,000 in 2010. However, from 2011–2015 Census data of New York County, the per capita income was recorded in 2015 dollars as \$64,993, with the median household income at \$72,871, and poverty at 17.6%. In 2012, *The New York Times* reported that inequality was higher than in most developing countries, stating, "The wealthiest fifth of Manhattanites made more than 40 times what the lowest fifth reported, a widening gap (it was 38 times, the year before) surpassed by only a few developing countries".

Economy

Manhattan is the economic engine of New York City, with its 2.3 million workers in 2007 drawn from the entire New York metropolitan area accounting for almost two-thirds of all jobs in New York City. In the first quarter of 2014, the average weekly wage in Manhattan (New York County) was \$2,749, representing the highest total among large counties in the United States. Manhattan's workforce is overwhelmingly focused on white collar professions, with manufacturing nearly extinct. Manhattan also has the highest per capita income of any county in the United States.

In 2010, Manhattan's daytime population was swelling to 3.94 million, with commuters adding a net 1.48 million people to the population, along with visitors, tourists, and commuting students. The commuter influx of 1.61 million workers coming into Manhattan was the largest of any county or city in the country, and was more than triple the 480,000 commuters who headed into second-ranked Washington, D.C.

Location Description

Manhattan's most important economic sector lies in its role as the headquarters for the U.S. financial industry, eponymously known as Wall Street. Manhattan is home to the New York Stock Exchange (NYSE), at 11 Wall Street in Lower Manhattan, and the Nasdaq, now located at 4 Times Square in Midtown Manhattan, representing the world's largest and second-largest stock exchanges, respectively, when measured both by overall share trading value and by total market capitalization of their listed companies in 2013. The NYSE American (formerly the American Stock Exchange, AMEX), New York Board of Trade, and the New York Mercantile Exchange (NYMEX) are also located downtown. Financial technology (fintech) and cryptocurrency have emerged as more recent constituents of the financial sector as well as the tech sector.

New York City is home to the most corporate headquarters of any city in the United States, the overwhelming majority based in Manhattan. Manhattan contained over 520 million square feet (48.3 million m²) of office space in 2022, making it the largest office market in the United States; while Midtown Manhattan, with over 400 million square feet (37.2 million m²) is the largest central business district in the world. New York City's role as the top global center for the advertising industry is eponymously reflected as "Madison Avenue".

Manhattan has driven New York's status as a top-tier global high technology hub. Silicon Alley, once a metonym for the sphere encompassing the metropolitan region's high technology industries, is no longer a relevant moniker as the city's tech environment has expanded dramatically both in location and in its scope. New York City's current tech sphere encompasses a universal array of applications involving artificial intelligence, the internet, new media, financial technology (fintech) and cryptocurrency, biotechnology, game design, and other fields within information technology that are supported by its entrepreneurship ecosystem and venture capital investments. As of 2014, New York City hosted 300,000 employees in the tech sector. In 2015, Silicon Alley generated over US\$7.3 billion in venture capital investment, most based in Manhattan, as well as in Brooklyn, Queens, and elsewhere in the region. High technology startup companies and employment are growing in Manhattan and across New York City, bolstered by the city's emergence as a global node of creativity and entrepreneurship, social tolerance, and environmental sustainability, as well as New York's position as the leading Internet hub and telecommunications center in North America, including its vicinity to several transatlantic fiber optic trunk lines, the city's intellectual capital, and its extensive outdoor wireless connectivity. Verizon Communications, headquartered at 140 West Street in Lower Manhattan, was at the final stages in 2014 of completing a US\$3 billion fiberoptic

Location Description

telecommunications upgrade throughout New York City. As of October 2014, New York City hosted 300,000 employees in the tech sector, with a significant proportion in Manhattan. The technology sector has been expanding across Manhattan since 2010.

The biotechnology sector is also growing in Manhattan based upon the city's strength in academic scientific research and public and commercial financial support. By mid-2014, Accelerator, a biotech investment firm, had raised more than US\$30 million from investors, including Eli Lilly and Company, Pfizer, and Johnson & Johnson, for initial funding to create biotechnology startups at the Alexandria Center for Life Science, which encompasses more than 700,000 square feet ($65,000\text{ m}^2$) on East 29th Street and promotes collaboration among scientists and entrepreneurs at the center and with nearby academic, medical, and research institutions. The New York City Economic Development Corporation's Early-Stage Life Sciences Funding Initiative and venture capital partners, including Celgene, General Electric Ventures, and Eli Lilly, committed a minimum of US\$100 million to help launch 15 to 20 ventures in life sciences and biotechnology.

Real Estate

Real estate is a major force in Manhattan's economy. Manhattan has perennially been home to some of the nation's, as well as the world's, most valuable real estate, including the Time Warner Center, which had the highest-listed market value in the city in 2006 at US\$1.1 billion, to be subsequently surpassed in October 2014 by the Waldorf Astoria New York, which became the most expensive hotel ever sold after being purchased by the Anbang Insurance Group, based in China, for US\$1.95 billion. When 450 Park Avenue was sold on July 2, 2007, for US\$510 million, about US\$1,589 per square foot (US\$17,104/m²), it broke the barely month-old record for an American office building of US\$1,476 per square foot (US\$15,887/m²) based on the sale of 660 Madison Avenue. In 2014, Manhattan was home to six of the top ten zip codes in the United States by median housing price. In 2019, the most expensive home sale ever in the United States occurred in Manhattan, at a selling price of US\$238 million, for a 24,000-square-foot (2,200 m²) penthouse apartment overlooking Central Park, while Central Park Tower, topped out at 1,550 feet (472 m) in 2019, is the world's tallest residential building, followed globally in height by 111 West 57th Street and 432 Park Avenue, both also located in Midtown Manhattan.

Manhattan had approximately 520 million square feet (48.1 million m²) of office space in 2013, making it the largest office market in the United States. Midtown Manhattan is the

Location Description

largest central business district in the nation based on office space, while Lower Manhattan is the third-largest (after Chicago's Loop).

As of the fourth quarter of 2021, the median value of homes in Manhattan was \$1,306,208. It ranked second among US counties for highest median home value at the time, second to Nantucket.

Midtown Manhattan is the central portion of the New York City borough of Manhattan. Midtown is home to some of the city's most prominent buildings, including the Empire State Building, the Chrysler Building, the Hudson Yards Redevelopment Project, the headquarters of the United Nations, Grand Central Terminal, and Rockefeller Center, as well as tourist destinations such as Broadway and Times Square.

Midtown Manhattan is the largest central business district in the world and ranks among the most expensive pieces of real estate; Fifth Avenue in Midtown Manhattan commands the world's highest retail rents, with average annual rents at US\$3,000 per square foot (\$32,000/m²) in 2017. However, due to the high price of retail spaces in Midtown, there are also many vacant storefronts in the neighborhood. Midtown is the country's largest commercial, entertainment, and media center, and also a growing financial center.

The majority of New York City's skyscrapers, including its tallest hotels and apartment towers, are in Midtown. The area hosts commuters and residents working in its offices, hotels, and retail establishments, tourists and students. Times Square, the brightly illuminated hub of the Broadway Theater District, is a major center of the world's entertainment industry. Sixth Avenue also has the headquarters of three of the four major U.S. television networks.

Midtown is part of Manhattan Community District 5. It is patrolled by the 14th and 18th precincts of the New York City Police Department."

Location Description

Location

Geographically, the northern boundary of Midtown Manhattan is commonly defined to be 59th Street; its southern boundary is less clear, and variously taken to be 34th Street, 23rd Street, or even 14th Street. Midtown spans the entire island of Manhattan along an east–west axis, bounded by the East River on its east and the Hudson River to its west. *The Encyclopedia of New York City* defines Midtown as extending from 34th Street to 59th Street and from 3rd Avenue to 8th Avenue.

Neighborhoods

Further information: List of Manhattan neighborhoods

In addition to its central business district, Midtown Manhattan encompasses many neighborhoods, including Hell's Kitchen and Chelsea on the West Side, and Murray Hill, Kips Bay, Turtle Bay, and Gramercy Park on the East Side. It is sometimes broken into "Midtown East" and "Midtown West", or north and south as in the New York City Police Department's Midtown North and Midtown South precincts.

Transportation

Pennsylvania Station and Grand Central Terminal are the two major railroad stations located in Midtown Manhattan. Penn Station serves Amtrak, NJ Transit, and the Long Island Rail Road (LIRR), while Grand Central serves the Metro-North Railroad and will serve the LIRR in the future. Penn Station is considered to be the busiest transportation hub in the Western Hemisphere, servicing around 650,000 people per day.

The Port Authority Bus Terminal is located at Eighth Avenue and 41st Street at the western edge of Midtown. The terminal is the largest in the United States and busiest in the world by volume of traffic, serving more than 65 million people per year.

The New York City Subway and MTA Regional Bus Operations each operate several routes that go through Midtown. Additionally, the PATH train to New Jersey terminates at 33rd Street and Sixth Avenue in Midtown.

Traffic congestion is common, especially for crosstown traffic. In 2011, a new system of traffic light control, known as "Midtown in Motion" was announced, with the aim of reducing traffic congestion. Approximately 750,000 vehicles enter Midtown Manhattan on a fall business day. According to the 2011 Traffic Data Report for New York State, 777,527 vehicles a day went through select toll facilities into Manhattan.

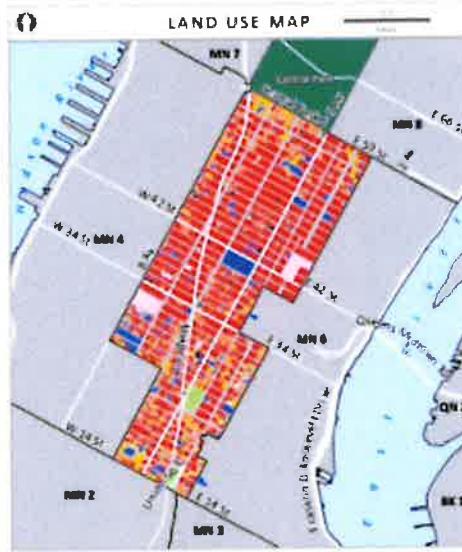
Location Description

Manhattan Community District 5



Neighborhoods¹: Flatiron, Gramercy Park, Herald Square, Midtown, Midtown South, Murray Hill, Times Square, Union Square

POPULATION & DENSITY		
2000 ²	2010 ³	2000-2010
44,028	51,673	+17%
2013-2017 Estimate ⁴	N/A	
Square Miles	1.6	
Population Density	32,296/sq mi	



LAND USE MAP

Map Source: PLUTO 19w2

COMMUNITY BOARD PERSPECTIVES

Top 3 pressing issues identified by Manhattan Community Board 5 in 2019:

1. Traffic
2. Trash removal & cleanliness
3. Homelessness

To learn more, please read Manhattan CD 5's Statements of Community District Needs and Community Board Budget Requests for Fiscal Year 2021.

Website: www.cdb5.org
Email: office@cdb5.org

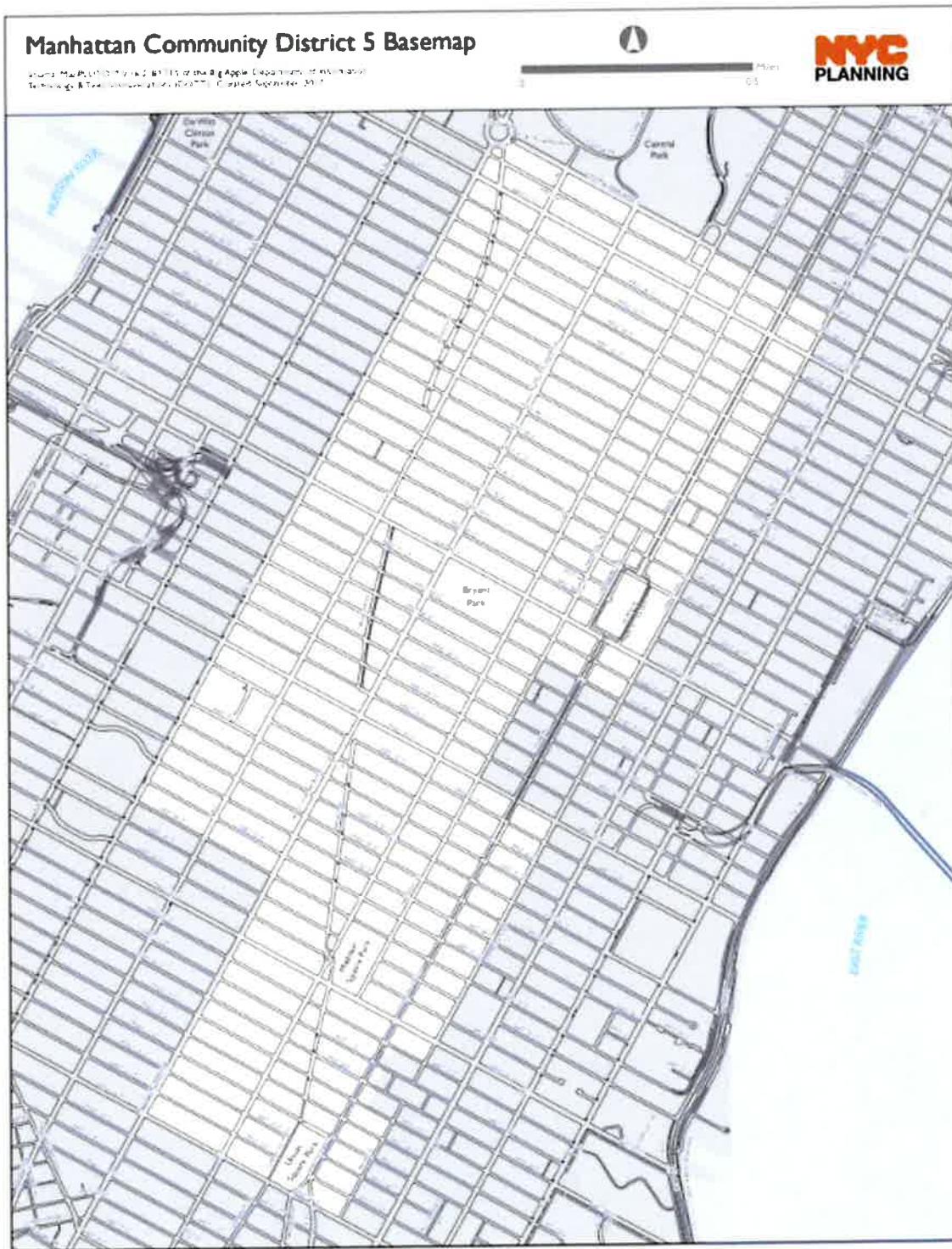
Land Use Category	# Lots	% Lot
1 & 2 Family Bldgs	15	0%
Multifamily Walk-up	77	1%
Multifamily Elevator	187	5%
Mixed Use	769	14%
Commercial	1,641	66%
Industrial	15	0%
Transportation/Utility	22	3%
Public/Institutional	113	7%
Open Space	6	2%
Parking	39	1%
Vacant	88	1%
Other	8	0%

A Snapshot of Key Community Indicators

COMMUNITY ASSETS ⁵		RENT BURDEN ^{6, 7}		ACCESS TO PARKS ⁷	
Public Schools	15	Manhattan CD 5	34%	Manhattan CD 5	95%
Public Libraries	7	Manhattan	37%	Citywide Target	85%
Hospitals and Clinics	17	NYC	45%	of residents live within walking distance of a park or open space	
Parks	10				
Click to visit the NYC Facilities Explorer					
MEAN COMMUTE TO WORK ^{8, 9}		LIMITED ENGLISH PROFICIENCY ¹⁰		CRIME RATES ¹¹	
Manhattan CD 5	27 minutes	Manhattan CD 5	10%	Manhattan CD 5	87.2
		Manhattan	16%	Manhattan	15.7
		NYC	23%	major felonies were reported per 1,000 residents in 2017	
EDUCATIONAL ATTAINMENT ¹⁰		UNEMPLOYMENT ^{10, 11}		NYCgov POVERTY MEASURE ¹¹	
Manhattan CD 5	74% of residents 25 years or older have earned a bachelor's degree or higher	Manhattan CD 5	3.7%	Manhattan CD 5	11%
		Manhattan	4.2%	Manhattan	14%
		NYC	4.9%	of residents have incomes below the NYCgov poverty threshold. See the federal poverty rate here	

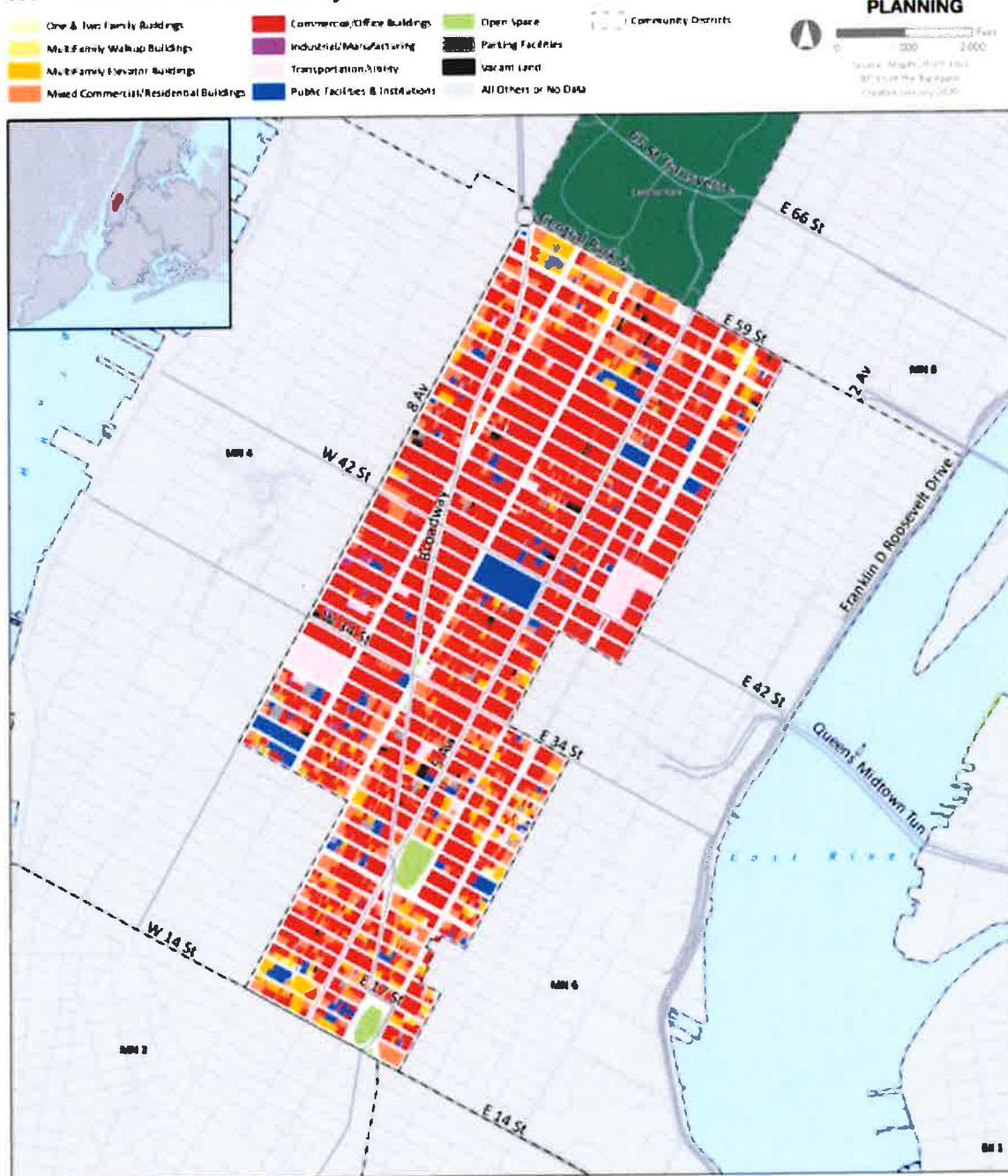
¹Neighborhoods may be in multiple districts. Neurons and boundaries are not officially designated. ²2000 US Census. ³2010 US Census. ⁴American Community Survey 2013-2017 5-Year Estimates. ⁵Calculated for Public Use Microdata Areas (PUMAs). PUMAs are geographic aggregations of community districts. MN 5 shares PUMA 4001 with MN 4, and the ACS population estimate cannot be reliably disaggregated. ⁶NYC Dept of City Planning Facilities Database (2009). ⁷Differences of less than 3 percentage points are not statistically meaningful. ⁸NYC Dept of Parks and Recreation (DPR) (2019). DPR considers walking distance to be 1/4 mile for parks less than 6 acres, and 1/2 mile for larger parks and plazas. ⁹Differences of less than 2 minutes are not statistically meaningful. ¹⁰NYC Comstat, Residential Complaints Data (2018). ¹¹Differences of less than 2 percentage points are not statistically meaningful. ¹²2013-2017 NYCgov Poverty Measure by PUMA. This metric from the Mayor's Office for Economic Opportunity accounts for NYC's high cost of living, as well as other costs of living and anti-poverty benefits.

Location Description



Location Description

Manhattan Community District 5 - Land Use



City & Neighborhood Analysis

The subject is located in Costar's Midtown South Multi-Family submarket

The below city and neighborhood analysis is for the entire Midtown South submarket. When considering sales prices, vacancy rates and cap rates the appraiser relies on the subject's market and immediate submarket and chooses comparables sales in close proximity to the subject. Sales prices, vacancy rates and cap rates are therefore not exactly as indicated on the grids below which reflect the entire neighborhood.

Overview

Midtown South Multi-Family			
12 Mo Delivered Units	12 Mo Absorption Units	Vacancy Rate	12 Mo Asking Rent Growth
0	73	2.0%	1.5%

At the start of 24Q3, the New York apartment market sports the lowest vacancy rate among major cities in the country, at 2.7%, and continues to be defined by many renters competing for a limited number of units. The vacancy rate in the Midtown South Submarket, at 2.0%, is tight when compared among U.S. submarkets with at least 15,000 units. The relatively tight vacancy rate is partially a product of the slow pace of adding housing as about 140 units have historically been added annually, which pales in comparison to Manhattan's overall population of nearly 1.6 million.

The Midtown South submarket includes the neighborhoods of Gramercy, Flatiron, Koreatown, and NoMad. The cluster of neighborhoods is known for being the ideal mix between the heavy office culture to the north and the more residential areas located directly south. The submarket's bevy of green and public-gathering spaces, including Madison Square Park and Union Square Park, are typically solid demand drivers for both office and apartment seekers.

New York City's diverse economy and its ability to add 54,000 jobs over the past year, along with some of the most expensive housing prices in the U.S., have recently boosted renter demand. Absorption levels in the Midtown South Submarket remained steady during 24Q2. Over the past 12 months, 0 units have delivered compared to

75 units absorbed. As a result, the vacancy rate has changed by -0.4% over this span. Manhattan's live/work/play dynamic continues to fuel absorption totals for most submarkets located in the borough.

Asking rents in the submarket stand at \$5,000/month, which is above the metro average of \$3,210/month. With vacancy levels tight, owners have continued to push rents upward. Rents have grown by 1.5% over the past 12 months, which is below the metro average of 2.1%. Concessions are not typically part of the conversation for renters here, as the demand to live in the Midtown South Submarket is high.

The U.S. Census estimates that more than half a million residents relocated out of New York City since 2020. Still, the vacancy rate in the Upper West Side Submarket remains below its long-term historical average of 4.0% as the demand to live here and the glacial pace of adding new supply cannot be understated. About 120 units are under construction which represents 0.7% of the existing inventory. Though Oxford Economics projects employment growth in New York to underperform the national average through 2028, vacancy levels are forecast to remain relatively unchanged over this span, while rents are projected to tick upward in this supply-constrained market.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	5,433	1.6%	\$5,783	\$5,741	18	0	82
3 Star	7,407	1.9%	\$4,759	\$4,741	7	0	41
1 & 2 Star	4,381	2.5%	\$3,574	\$3,561	5	0	0
Submarket	17,221	2.0%	\$5,003	\$4,985	30	0	123
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.4%	4.3%	2.1%	6.0%	2015 Q3	2.0%	2024 Q3
Absorption Units	73	142	36	578	2003 Q2	(422)	2020 Q3
Delivered Units	0	161	31	967	2003 Q2	0	2024 Q2
Demolished Units	0	16	3	204	2016 Q3	0	2024 Q2
Asking Rent Growth (YOY)	1.5%	2.2%	2.5%	11.4%	2007 Q2	-0.9%	2008 Q3
Effective Rent Growth (YOY)	1.5%	2.2%	2.5%	11.5%	2007 Q2	-0.9%	2009 Q3
Sales Volume	\$55M	\$188.9M	N/A	\$729M	2013 Q1	\$6.3M	2021 Q1

City & Neighborhood Analysis

Vacancy

Midtown South Multi-Family

Renter demand across New York City surged during the second quarter of 2024. Absorption totals remained steady in Midtown South. The recent boost in demand is attributed to a resilient New York City economy, which added more than 54,000 jobs over the past 12 months, and a slowdown in renters making the jump to home ownership, with some of the most expensive housing in the nation located across the metro.

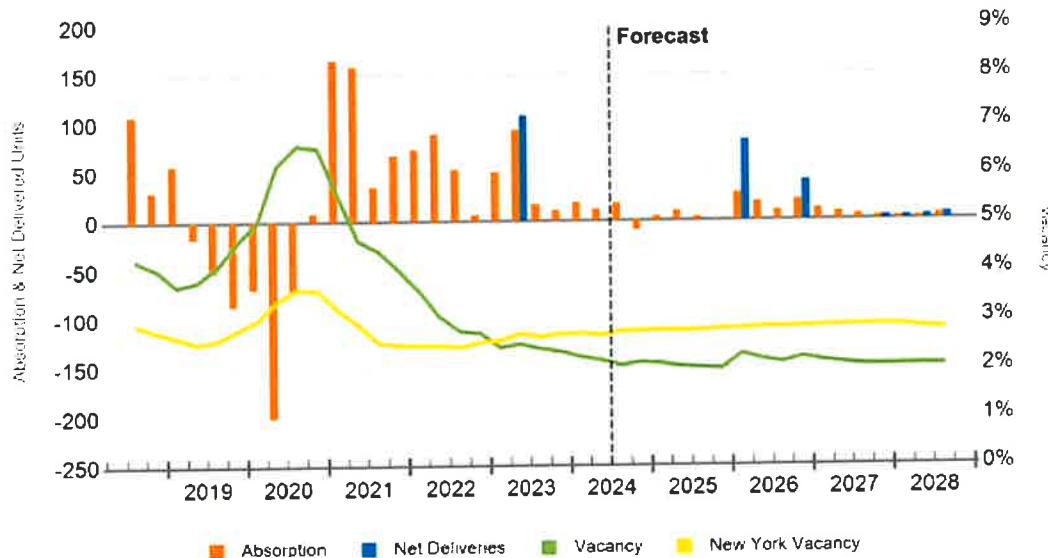
Renters continue to relocate here despite the exorbitant costs of living. Midtown South remains a top destination for young professionals as the submarket's excellent demand drivers, including abundant retail amenities, vibrant nightlife, and proximity to nearby job centers, should continue to support demand from this cohort. These demand drivers have made Midtown South a highly competitive market among renters with desirable apartments renting fairly quickly once listed.

The vacancy rate in the Midtown South Submarket, measured at 2.0% at the start of 24Q3, is comparatively low when compared among major U.S. submarkets with at least 15,000 units of inventory. Though the U.S. Census Bureau estimates that more than half a million residents have left New York City since 2020, the

vacancy rate in the Midtown South Submarket remains below its long-term historical average of 4.0%. With a population of nearly 1.6 million people in Manhattan and about 140 units added every year on average in Midtown South, it's not difficult to see why demand has historically outpaced supply. Over the past 12 months, supply has lagged demand in the Midtown South Submarket, with 0 units delivered, compared to 75 units absorbed, which has caused the vacancy rate to change by -0.4% over this span.

About 120 units are under construction which represents 0.7% of the existing inventory. Looking ahead, renter demand is forecast to keep pace with new supply in the coming years as Oxford Economics projects employment growth in New York to underperform the national average through 2028. With job growth slowing in high-income industries such as tech and finance, vacancy rates in 4 & 5 Star buildings are expected to be impacted, considering that much of what is set to deliver is located in this more expensive quality segment. Still, Midtown South is an area popular with renters, which is reflected in the fact that the vacancy rate is forecast to be relatively unchanged over this span.

ABSORPTION, NET DELIVERIES & VACANCY

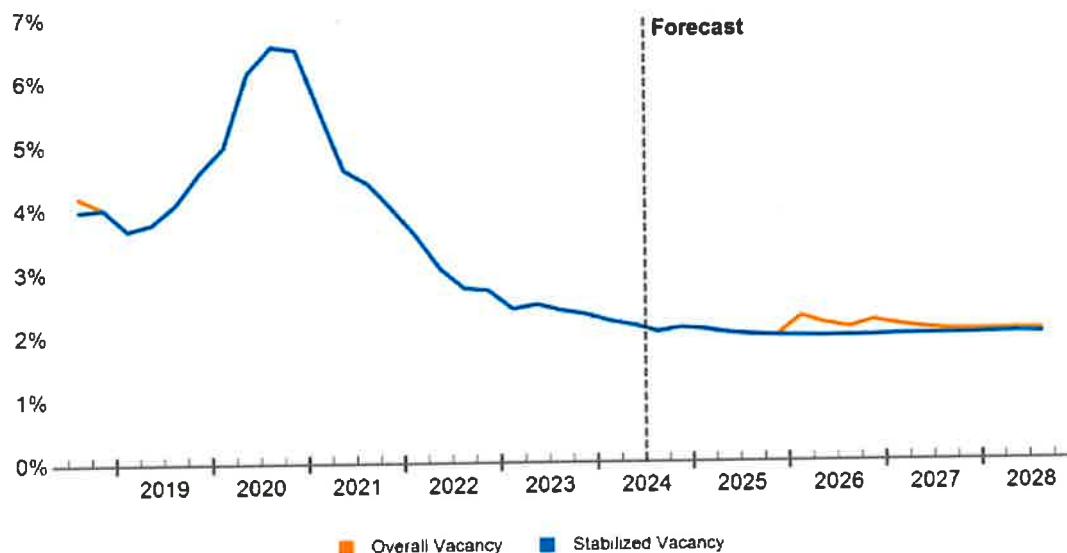


City & Neighborhood Analysis

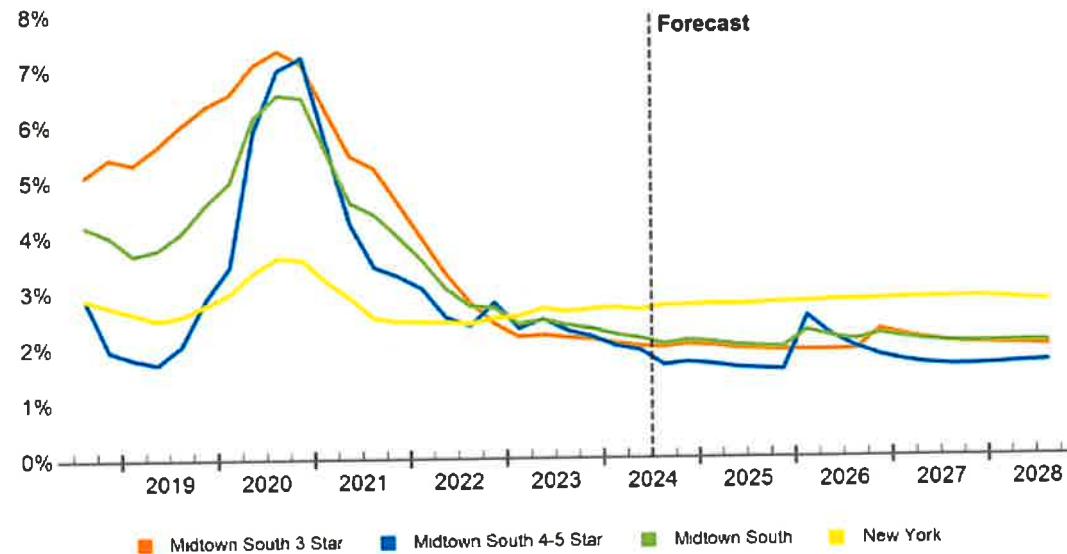
Vacancy

Midtown South Multi-Family

OVERALL & STABILIZED VACANCY



VACANCY RATE

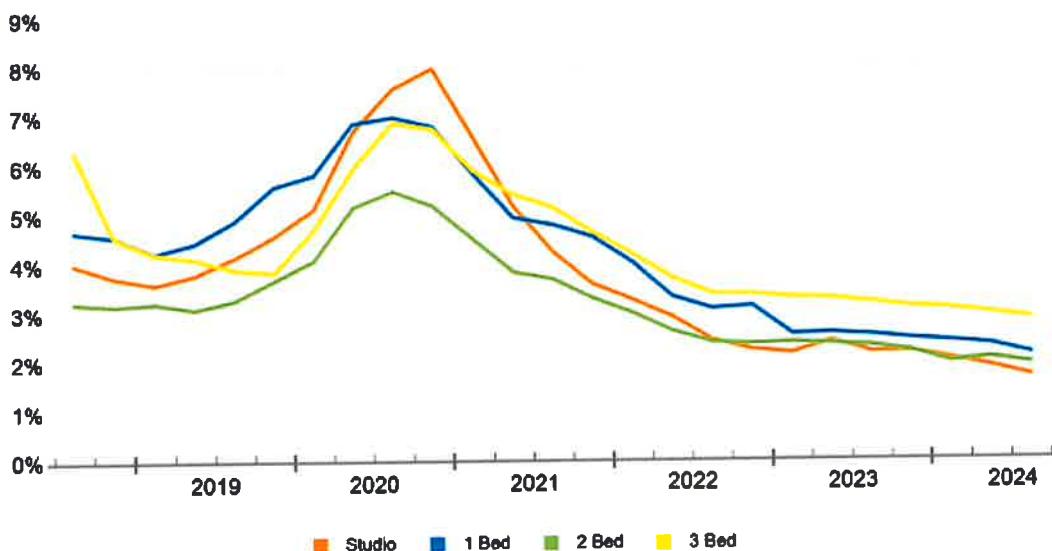


City & Neighborhood Analysis

Vacancy

Midtown South Multi-Family

VACANCY BY BEDROOM



City & Neighborhood Analysis

Rent

Midtown South Multi-Family

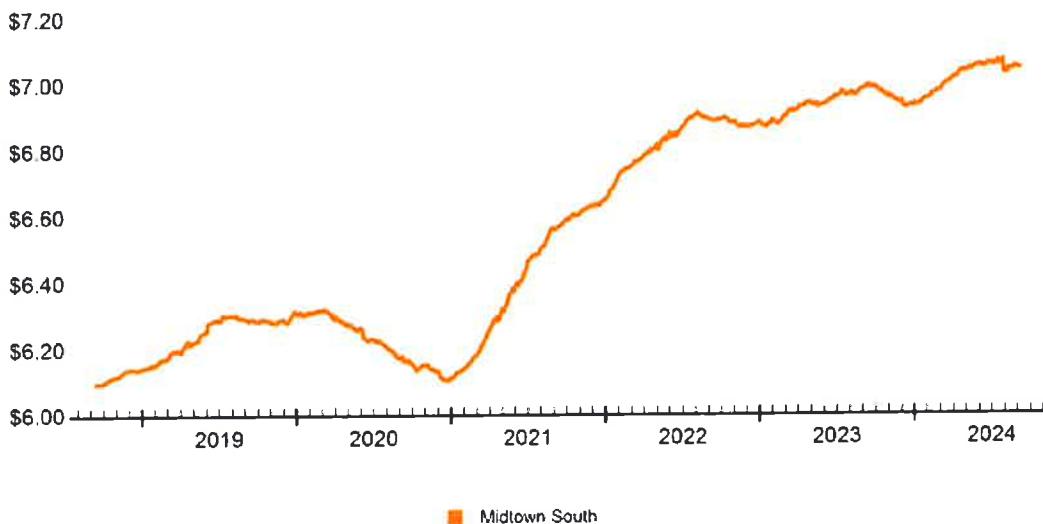
Rents in the Midtown South Submarket remain among the most expensive in New York, at \$5,000/month. The submarket is home to several distinct neighborhoods, and rents can vary significantly by ZIP code.

With a vacancy rate that is tight when compared to major U.S. submarkets, rents continue to climb in the Midtown South Submarket. Rents have grown by 1.5% over the past year. This rate of change lags the New York metro average of 2.1%. The city's glacial pace of adding new housing has allowed some owners to raise rents considerably despite the vintage age of many Midtown South apartment buildings. Due to the low vacancy rate,

concessions are typically not part of the equation for many of the apartment buildings located here.

Though Oxford Economics projects employment growth to lag the national average through 2028, vacancy levels here will be tighter than in most other submarkets. As a result, the Midtown South Submarket will remain a supply-constrained market, with rents forecast to continue inching upward. However, if a notable decline in the growth rate of high-income-earning jobs in finance and tech occurs, new developments might face slower lease-ups, thus resulting in more modest rent growth expectations for 4 & 5 Star buildings.

DAILY ASKING RENT PER SF

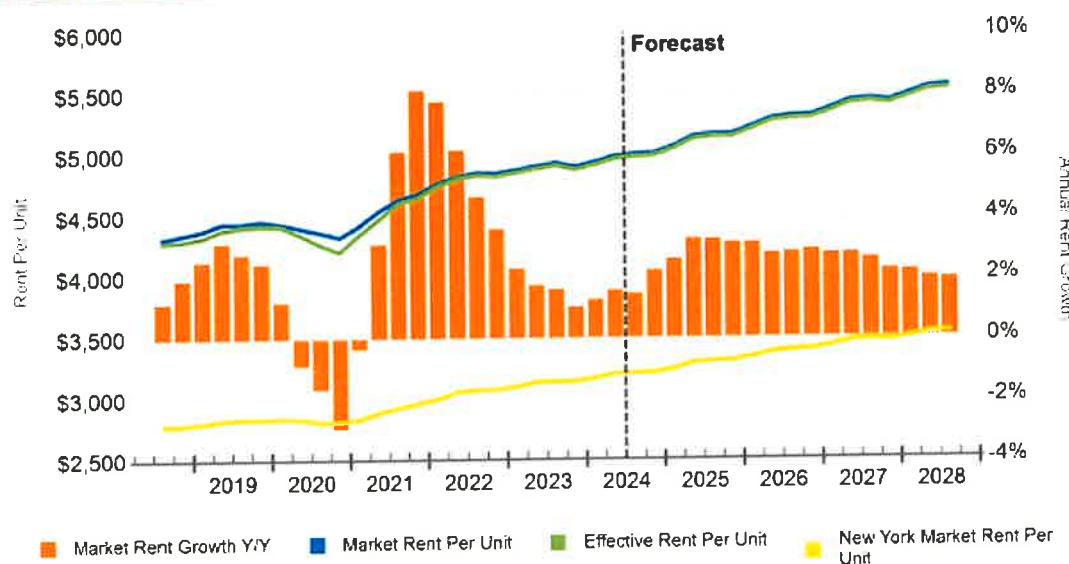


City & Neighborhood Analysis

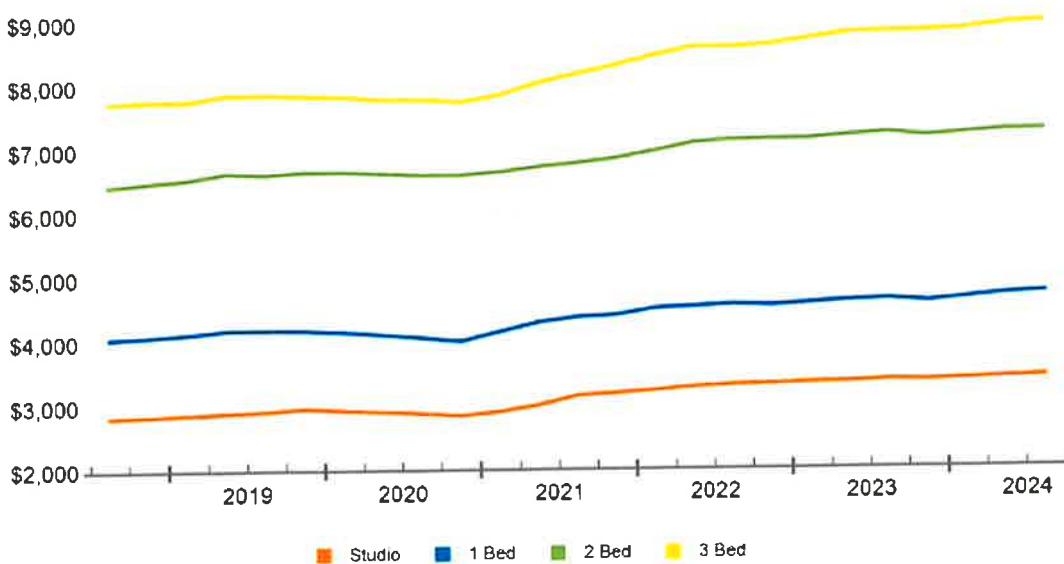
Rent

Midtown South Multi-Family

MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



City & Neighborhood Analysis

Construction

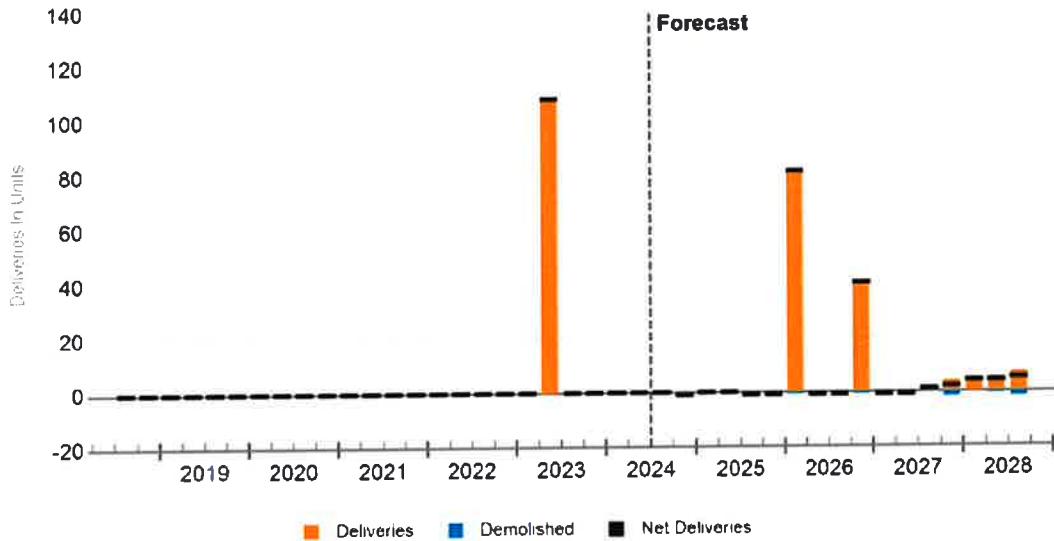
Midtown South Multi-Family

Multifamily rental construction has been limited in the Midtown South submarket over the last decade. Despite a population of 1.6 million in Manhattan, development activity has not been a feature of the Midtown South Submarket historically, as about 140 units have been added every year on average. Land values, high density, and construction costs present sizable barriers to entry in Manhattan. About 0 units have been delivered over the past 12 months. Over the past five years, about 110 new units have been added to the submarket.

About 120 units remain under construction which represents 0.7% of existing inventory. Much of what is under construction is set to be delivered over the next 12

months. However, tax subsidies that incentivize developers to pursue the large-scale construction of market-rate units have been reinstated as of April 2024, and a boost in housing production is anticipated beyond this year. However, the state's new tax incentive for building multifamily comes with high labor costs and strict affordability requirements, which may also limit future competition for buildings in a neighborhood with few development opportunities. Due to the high costs associated with building in Manhattan, Midtown South may remain a relatively unpopular destination for developers as they are less willing to forge a new frontier. In 2023, of the city's 59 community districts, 10 had as much new housing built as the other 49 districts.

DELIVERIES & DEMOLITIONS



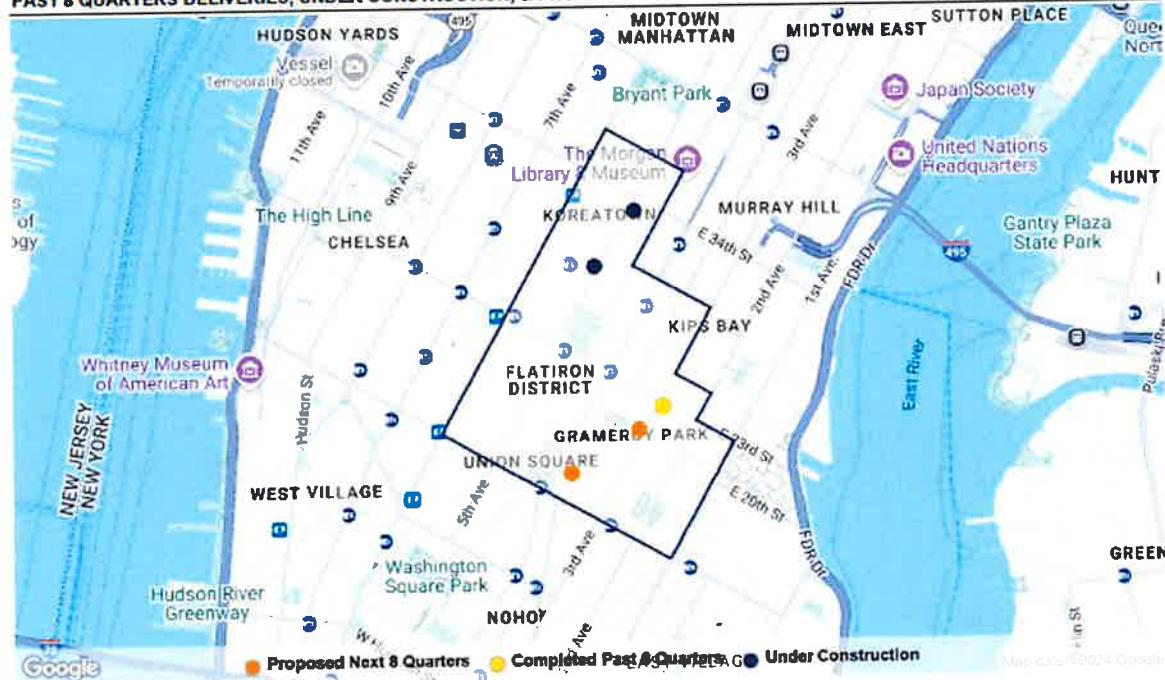
City & Neighborhood Analysis

Construction

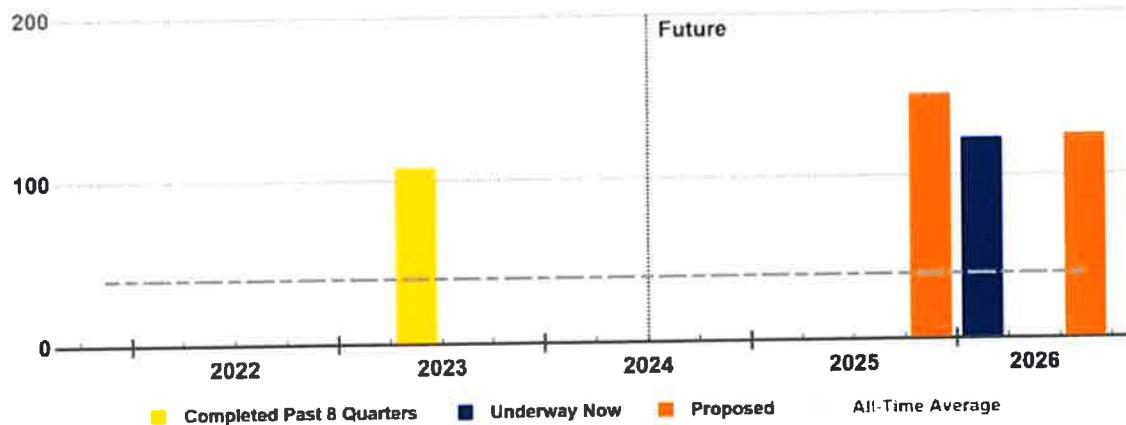
Midtown South Multi-Family

All-Time Annual Avg. Units	Delivered Units Past 8 Qtrs	Delivered Units Next 8 Qtrs	Proposed Units Next 8 Qtrs
160	108	123	275

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN UNITS



City & Neighborhood Analysis

Sales

Midtown South Multi-Family

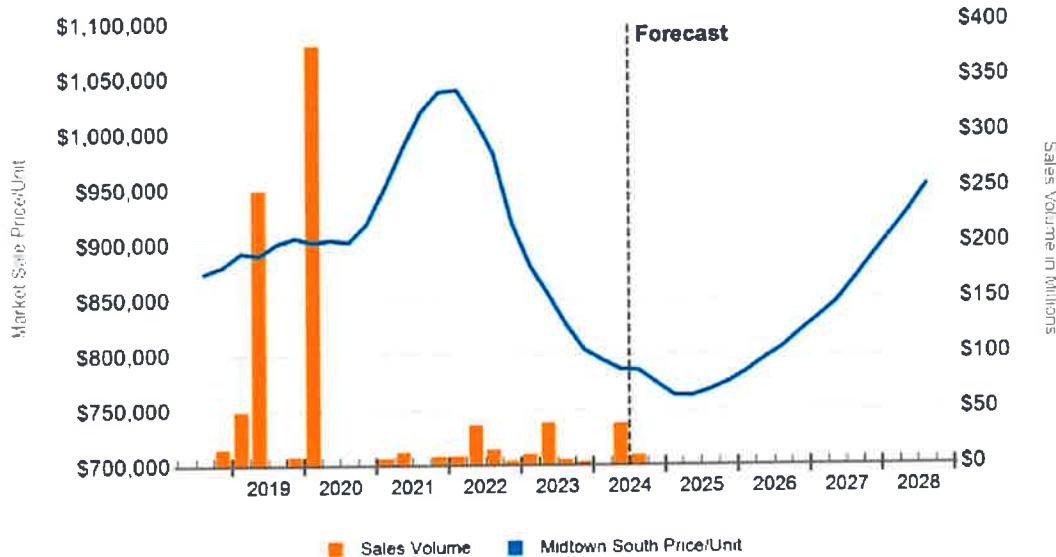
Midtown South has received less investment over the past decade compared with most prime Manhattan submarkets. Roughly one-third of the inventory here is rated 4 & 5 stars, but only a single asset of this quality type was sold between 2016 and 2018. Still, asset pricing is expensive compared to most other submarkets, which has led to annual investment volume topping \$200 million in most years over the past decade.

Though fundamentals are relatively sound, investment volume over the past 12 months, at \$50.9 million, trails the long-term historical average, at \$199 million. Due to elevated interest rate levels and the high costs associated with New York City acquisitions, well-

capitalized buyers continue to command the greatest share of activity.

The half-year sales volume is up across the New York metro compared to a year ago, as the investment market has grown more active during the second quarter. This suggests that a small but steady increase in transaction volume is expected in the coming quarters. Expectations should be tempered, however, as elevated borrowing costs and general economic uncertainty still weigh on the minds of buyers. For this reason, bullish advertised cap rate projections on listings of multifamily properties will likely need a slight readjustment upward, especially as average cap rates for the submarket stand around 6%.

SALES VOLUME & MARKET SALE PRICE PER UNIT

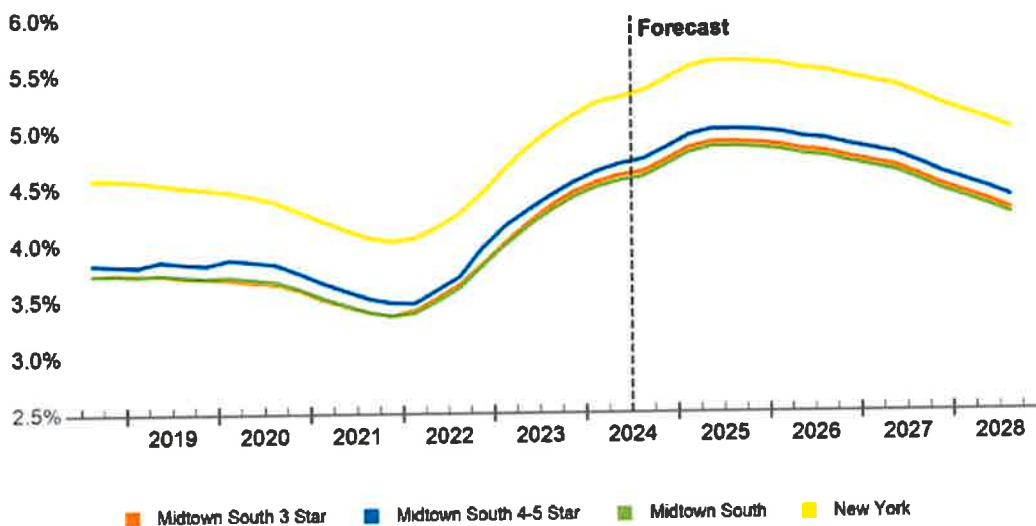


City & Neighborhood Analysis

Sales

Midtown South Multi-Family

MARKET CAP RATE



City & Neighborhood Analysis

Sales Past 12 Months

Midtown South Multi-Family

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
8	\$937	\$7.7	3.1%

SALE COMPARABLE LOCATIONS



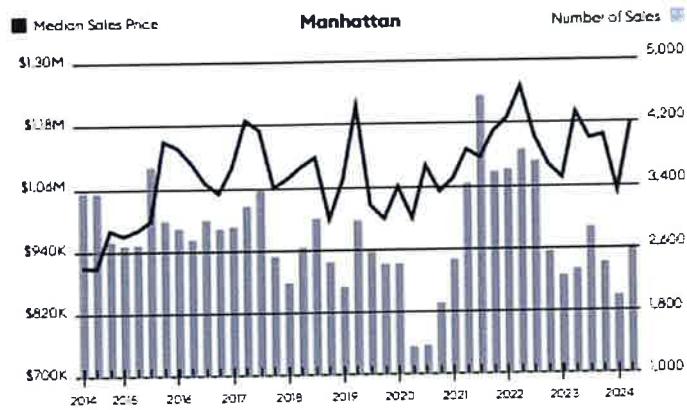
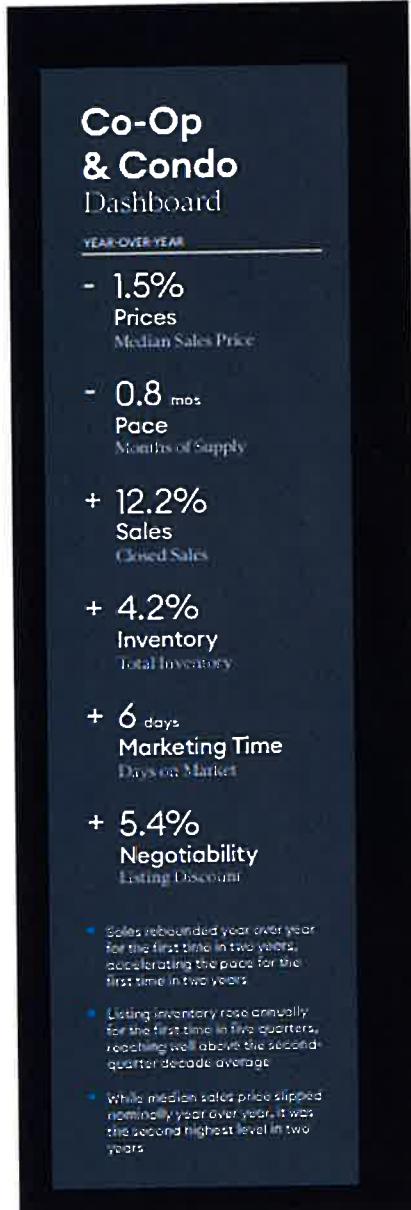
SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$3,100,000	\$7,733,125	\$5,200,000	\$24,365,000
Price/Unit	\$453,571	\$937,348	\$780,854	\$1,522,812
Cap Rate	5.0%	5.0%	5.0%	8.7%
Vacancy Rate At Sale	0%	3.1%	0%	7.7%
Time Since Sale in Months	1.1	4.8	3.4	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	5	8	6	16
Number of Floors	4	4	4	9
Average Unit SF	754	1,029	892	1,333
Year Built	1910	1929	1920	2017
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

City & Neighborhood Analysis

Elliman Report

Q2-2024 Manhattan, NY Sales



Manhattan Metric	Q2-2024	%Δ YTD	Q1-2024	%Δ (m)	Q2-2023
Average Sales Price	\$2,001,015	8.4%	\$1,846,391	-3.3%	\$2,069,753
Average Price Per Sq Ft	\$1,671	7.7%	\$1,552	1.8%	\$1,642
Median Sales Price	\$1,161,679	12.6%	\$1,049,399	-1.5%	\$1,200,000
New Development	\$2,043,627	-2.7%	\$2,100,000	2.2%	\$2,000,000
Re-Sale	\$1,054,000	7.7%	\$975,000	-3.7%	\$1,090,000
Number of Sales Closed	2,609	31.2%	1,988	12.2%	2,325
Days on Market (From Last List Date)	88	20.5%	73	7.3%	82
Listing Discount (From Last List Price)	11.3%		6.6%		5.9%
Listing Inventory	8,044	16.8%	6,885	4.2%	7,719
Months of Supply	9.2	-11.5%	10.4	-8.0%	10.0
Year-to-Date	Q2-2024	%Δ YTD	Q1-2024	%Δ (m)	Q2-2023
Average Sales Price (YTD)	\$1,934,147	N/A	N/A	-3.8%	\$2,011,128
Average Price per Sq Ft (YTD)	\$1,614	N/A	N/A	-1.6%	\$1,641
Median Sales Price (YTD)	\$1,125,000	N/A	N/A	-2.2%	\$1,150,000
Number of Sales (YTD)	4,597	N/A	N/A	0.7%	4,567

After two years of sliding sales and rising mortgage rates, the second quarter was a reprieve as sales jumped by 12.2% year over year to 2,609, only 5.8% below the second-quarter decade average of 2,759. Listing inventory also went against the trend, rising 4.2% year over year to 8,044 for the first time in five quarters and 13.7% above the second-quarter decade average of 7,077.

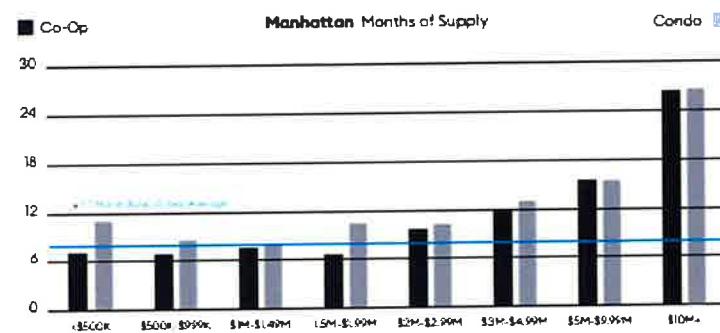
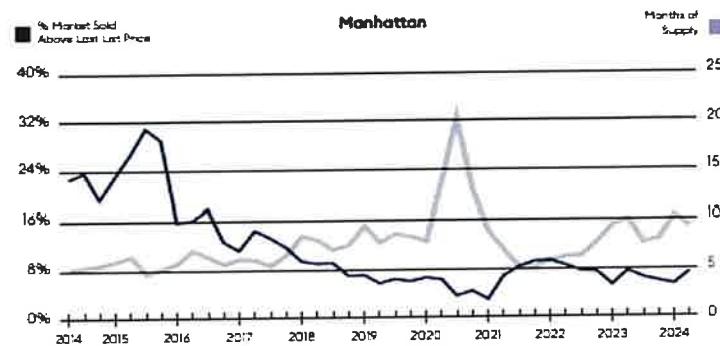
With sales rising faster than listing inventory, the pace of the market, as measured by months of supply, accelerated. The number of months to sell all listing inventory at the current sales rate was 9.2 months, 8% faster than last year but somewhat slower than the 8.4-month quarterly average for the past twenty years. With the modest rise in listing inventory, the market share of bidding wars



Prepared by Miller Samuel Real Estate Appraisers & Consultants

City & Neighborhood Analysis

slipped nominally to 7.4% from 7.6% in the same period last year. When a bidding war occurred, the premium paid was 2.5%, well below the 8% premium paid in the previous year. The market-wide median sales price slipped year over year for the sixth time in seven quarters, down 1.5% to \$1,161,679. Despite the annual decline, the median sales price was at its second-highest level in two years. The average sales price followed a similar pattern, with the average sales size down 5.1% to 1,977 square feet. The average sales price declined by 3.3% to \$2,001,015, falling year over year for the fifth time in seven quarters. Despite the market-wide year over year median sales price decline, both co-op and condo median sales prices edged higher due to their shift in the mix. The co-op median sales price rose 1.8% to \$850,000, while co-op sales surged 18% to 1,457 over the same period. Condo median sales price increased by 3.4% over the same period to \$1,732,500 as condo sales increased 5.7% to 1,552. The average monthly maintenance for a co-op sale was \$2,960, a new high and up 7.6% annually, or \$2.64 per square foot per month, also a new high. The average monthly common charge plus real estate tax for a condo was a record \$4,429, up 1.7% annually, or \$3.08 per square foot per month. The luxury market, representing the top ten percent of total sales, had a median price was \$5,997,500, 10.5% below the year-ago quarter. Luxury inventory jumped by 22.4% from the prior year to 1,593, a substantially higher rate than the non-luxury inventory gain of 0.5%. The market share of new development sales that closed in the quarter was 13.1%, nominally up from 12.8% in the prior year's quarter and slightly below the 14.8% second-quarter average for the decade. The median sales price of new development sales was \$2,043,627, up by 2.2% year over year. New development sales surged 15.2% annually to 342, enabled by the 21% increase in listing inventory to 1,245 over the same period. In the elevated mortgage rate environment, cash sales continued to play an outsized role in sales activity. The market share of cash sales was 62.3% for sales that closed in the quarter, the fourth time in the past five quarters that the market share was above the 60% threshold. By price strata, sales under \$1 million reflected a 52% cash share, while sales above \$5 million had a 99.6% share of cash buyers. By units, the number of mortgage sales rose 15.1% annually, exceeding the annual gain in the number of cash sales for the first time in two years, which rose by 10.6%. This first-time shift in the mix of purchase types was likely not aided by the change in mortgage rates, which remained relatively constant during the quarter. The change probably reflected a weakening of buyer resolve after waiting for two and a half years for rates to fall. Seller resolve also weakened with the increase in listing inventory after two years of the "lock-in effect" caused by the steep ascent of mortgage rates since early 2022. Sellers are pricing more accurately than last year, as the number of sales with price changes fell to 24.6% from 39.4%.

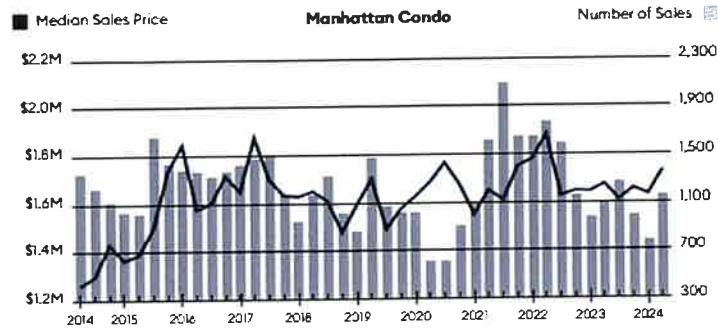


Re-Sales

- Sales rose annually for the first time in eight quarters
- Listing inventory edged higher year over year for the second time in three quarters
- Median sales price declined annually for the second time after three quarters of gains

Re-Sales Matrix	Q2-2024	% Chg.	Q1-2024	% Chg.	Q2-2023
Average Sales Price	\$1,830,079	+0.0%	\$1,694,929	-1.1%	\$1,850,846
Average Price per Sq Ft	\$1,540	+0.2%	\$1,450	+3.1%	\$1,494
Median Sales Price	\$1,050,000	+7.7%	\$975,000	+3.7%	\$1,090,000
Number of Sales Closed	2,247	+26.3%	1,795	+11.8%	2,028
Days on Market (From List Last Date)	88	+20.5%	72	+7.3%	82
Listing Discount From Last List Price	12.2%	+0.0%	6.6%	+5.9%	
Listing Inventory	6,799	+17.5%	5,786	+1.6%	6,690
Months of Supply	9.0	+7.2%	9.7	+9.1%	9.9
Sales Share of Overall Market	86.9%	+0.0%	90.3%	+8.2%	

City & Neighborhood Analysis



Condo Mix	Sales Share	Median Sales Price
Studio	8.7%	\$675,500
1-Bedroom	32.8%	\$1,122,538
2-Bedroom	34.8%	\$2,160,000
3-Bedroom	16.2%	\$3,887,500
4+ Bedroom	7.5%	\$6,550,000

Condo Matrix	Q2-2024	% Chg (%)	Q1-2024	% Chg (%)	Q2-2023
Average Sales Price	\$2,851,100	6.4%	\$2,680,281	0.8%	\$2,829,265
Average Price per Sq Ft	\$1,981	2.2%	\$1,939	-2.2%	\$2,025
Median Sales Price	\$1,732,500	6.2%	\$1,632,000	3.4%	\$1,675,000
Number of Sales (closed)	1,152	48.3%	777	5.7%	1,090
Days on Market (from Last List Date)	80	8.1%	74	-3.6%	83
Listing Discount (from Last List Price)	15.2%		7.4%		5.0%
Listing Inventory	4,155	16.1%	3,578	7.5%	3,864
Months of Supply	10.8	-21.7%	13.8	1.9%	10.6

City & Neighborhood Analysis

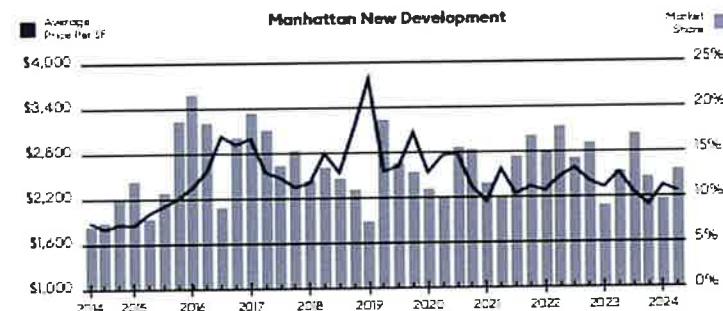
Q2-2024 The Elliman Report • Quarterly Survey of Manhattan, NY Sales

ellman.com/marketreports



Luxury Mix	Sales Share	Median Sales Price
Co-ops	56.5%	\$3,650,000
Condos	43.5%	\$11,030,263
New Dev.	29.8%	\$5,970,976
Re-Sales	70.2%	\$5,487,500

Luxury Metric (Top 10% of Sales)	Q2-2024	% Chg (y/y)	Q1-2024	% Chg (m/m)	Q2-2023
Average Sales Price	\$8,002,919	+0.3%	\$7,526,989	-5.4%	\$8,474,728
Average Price per Sq Ft	\$2,650	-3.1%	\$2,736	-4.0%	\$2,760
Median Sales Price	\$5,997,500	+3.4%	\$5,800,000	+10.5%	\$6,704,250
Number of Sales Closed	262	+31.7%	199	+12.4%	233
Days on Market (From List Date to Sale)	94	-19.0%	116	-11.3%	108
Listing Discount (From List List to Sale)	7.2%	+0.1%	9.4%	-5.2%	5.7%
Listing Inventory	1,593	+2.1%	1,628	-22.4%	1,301
Months of Supply	18.2	-25.7%	24.5	-6.3%	16.8
Entry Price Threshold	\$4,050,000	+10.2%	\$3,675,000	+12.0%	\$4,500,000



New Development Mix	Sales Share	YoY% Sales Change
< \$1M	14.1%	34.1%
\$1M - \$3M	50.3%	9.6%
> \$3M	33.6%	14.2%

New Development Metrics	Q2-2024	% Chg.	Q1-2024	% Chg.	Q2-2023
Average Sales Price	\$2,134,094	-3.7%	\$2,255,000	-12.1%	\$3,564,512
Average Price per Sq Ft	\$2,271	-3.4%	\$2,352	-10.3%	\$2,531
Median Sales Price	\$2,043,627	-2.7%	\$2,100,000	2.2%	\$2,000,000
Number of Sales (Q2-2024)	342	77.2%	193	15.2%	291
Days on Market (From Last List Date)	90	8.4%	83	8.4%	65
Listing Discount (from Last List Price)	6.3%		6.6%		5.0%
Listing Inventory	1,245	13.3%	1,099	21.0%	1,002
Months of Supply	10.9	-36.3%	17.1	4.8%	10.0
Sales Share of Overall Market	13.1%		9.7%		12.8%

Questions or comments? Email [Samuel](mailto:Samuel@jacobsonmiller.com)

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Economic Market

Summary of Commentary on Current Economic Condition By Federal Reserve Bank of New York, September 4, 2024

Summary of Economic Activity

Economic activity in the Second District remained flat in the latest reporting period. Labor market conditions continued to moderate, with ongoing cooling in labor demand and increased worker availability across the District. On balance, employment and wage growth were little changed. Selling price increases remained modest. Manufacturing activity was little changed, and shipments were flat. Consumer spending held steady, and tourism activity in New York City was nearly back to normal pre-pandemic levels. Housing markets remained solid, with home prices edging up. Commercial real estate markets held steady. Activity in the finance sector continued to weaken as delinquency rates worsened. Looking ahead, businesses anticipated little improvement in economic conditions.

Labor Markets

Labor market tightness continued to moderate, with ongoing cooling in labor demand and increased labor supply across the District. Contacts at employment agencies noted hiring activity in both New York City and across upstate New York has slowed as firms are approaching hiring decisions with greater hesitancy. Hiring has shifted to be primarily for replacement, rather than growth, and with uncertainty pertaining to the presidential election ahead, many firms have put hiring plans on hold. It has become much easier to find workers, particularly for firms offering remote or hybrid work options. Still, some contacts from industries that require in-person work reported some difficulty finding skilled workers, particularly in the skilled trades. Multiple contacts reported that worker attrition has declined to exceptionally low levels, and job candidates are lingering on the market for longer.

On balance, employment was little changed. Firms in construction and information services reported some reduction in headcounts, but employment grew among retail, wholesale, and education and healthcare firms. Still, contacts continued to report that there are no signs of major layoffs on the horizon. Wage growth has held steady at a moderate pace and even declined slightly for some roles, as more workers have become available.

Economic Market

Prices

Selling price increases generally remained steady and modest. Input prices continued to increase at a moderate pace. A food wholesaler in the region reported that tariffs and duties were contributing to elevated costs that were being passed on to customers. Although manufacturers reported only modest increases in prices paid for inputs, freight and raw material costs continue to weigh on firms in some industries. By contrast, with slowing construction activity and lower demand, the prices for building materials, especially lumber and concrete, have declined substantially. Businesses expect little change in pricing pressures in the coming months.

Consumer Spending

Consumer spending on the whole held steady during this reporting period. Still, spending on entertainment and recreation continued to decline, and retail spending was subdued. Consumer spending sagged in New York City compared to the same time last year, though some parts of the District, such as the Hudson Valley, saw an increase.

Auto dealers in upstate New York reported that sales picked up strongly since the last report, with particularly brisk sales in July making up for the slow business in June caused by a cyber-attack on software used by auto dealers. New car inventory has generally continued to build, and most customers now have a good selection from which to choose. Used car sales have also remained solid now that a more normal gap between new and used car prices has returned. Still, there has been a continued shift to older models of used cars for affordability reasons.

Manufacturing and Distribution

Manufacturing activity was little changed. Shipments were flat, though orders declined modestly. Transportation and warehousing firms reported a modest increase in activity, while wholesalers reported that activity continued to grow moderately. Contacts reported little change in supply availability and delivery times. Manufacturers anticipated modest improvements in economic conditions in the months ahead.

Services

On balance, activity in the service sector held steady. Activity declined in the information and the leisure and hospitality sectors following increases in the previous reporting period and remained weak in the business services sector, while businesses providing education and healthcare services saw a moderate bump up in activity. Optimism among service firms remained weak. Federal Reserve Bank of New York 9 Tourism activity in New York

Economic Market

City continued to move toward normal pre-pandemic levels. Hotel room rates are near record highs and are anticipated to rise even more in the fall when business travel normally picks up. Visits to the Statue of Liberty—a proxy for international visitors—were just about at pre-pandemic levels. However, a local tourism expert noted that international travel to New York City has been sluggish. Visa processing delays and reduced long-haul flight schedules have resulted in notably lower visitors from China, while visits from Latin America have been curbed by economic woes at home.

Real Estate and Construction

The supply of homes for sale has risen slightly in much of District, though demand has continued to outpace supply, and home prices have continued to edge up. The frequency of bidding wars has declined slightly across the District, though homes continued to hold their value. New York City saw a surge in signed contracts after a sluggish early part of the year. In upstate New York, outmigration from the region has improved inventory, and demand remained solid. In New York City, potential buyers worn down by high rents have lost their resolve to wait for lower mortgage rates and are contributing to elevated demand. Contacts reported increased uncertainty has dampened activity in the housing market due to court-mandated changes in compensation practices for real estate agents taking effect this reporting period.

The residential rental market remained exceptionally tight, and new leasing activity in New York City was the highest since 2008. Bidding wars on rentals there have remained fairly widespread, and concessions have been low. Rents in New York City have remained flat at high levels, though many New Yorkers are saving money by renting even smaller apartments.

Commercial real estate markets held steady, on balance. The office market in New York City improved slightly, with some decline in vacancy rates and an increase in asking rents. The industrial market was unchanged, with demand at a long-term low and vacancy rate remaining above pre-pandemic levels.

Construction contacts reported that activity decreased slightly. A commercial real estate developer in the District noted that difficulty obtaining credit has constrained new development and has led to a pause in a number of ongoing projects.

Economic Market

Banking and Finance

Activity in the broad finance sector continued to weaken. Small-to-medium-sized banks reported no change in loan demand, though demand for refinancing picked up from low levels. Credit standards tightened slightly, particularly for business loans and commercial mortgages. Deposit rates 10 The Beige Book declined noticeably. Loan spreads were mostly unchanged. Delinquency rates continued to rise, particularly for consumer loans.

Community Perspectives

Community leaders noted difficulty accessing and operationalizing recent federal grants for funding to non-profits, community groups, and state and local governments, in part due to the limited availability of workers with the right skills to execute the work. To address this shortfall, state and local governments are establishing programs and industry partnerships to develop fast-track training. Public-private partnerships have been integral to the development of workforce skills in areas necessary for the implementation of new community investments and improvements in technology infrastructure, including green energy installation and high-tech manufacturing.

Market Conclusion

The economy has shown resiliency despite forecasts of recession and stagnation by pundits. Such predictions were based on high interest rates, slow growth and inflation exceeding the 2.0% annual target set by the Federal Reserve. However, it appears as though the elusive "soft landing" targeted by the federal reserve sans a recession might be a possibility after all.

In the first quarter of 2020, a new contagious virus, Covid-19 was rapidly spreading across the globe. Fear of such prompted governments to order travel bans, mandatory shutdowns as well as stay-at-home orders. Supply chains were interrupted, unemployment soared and healthcare facilities were overwhelmed. This resulted in severe negative impact on economies across the globe. The United States like the rest of the world was not spared with the coronavirus having devastating detrimental effect on the economy including the real estate sector, where transaction and dollar volume dropped precipitously.

Due to the pandemic, real estate transactions have slowed significantly from the first quarter of 2020 through the beginning of 2021. However, with the rolling out of vaccinations, as well as the lifting of shutdowns, the economy and real estate deal volume started recovering.

Since March 2021 through the end of the year, the nation and the local market continued improving. Lingering impacts of supply chain interruptions where demand outstripped supply, caused inflation to rise above the Federal Reserve's 2.0% annual target. As a direct result, starting in March 2022, the Fed increased the interest rate 11 consecutive times in the hopes of taming inflation. This in turn resulted in a real estate market cool down and declining values for some property types. Offices were hit the hardest as occupancies hit record lows deflating overall values due to changes in attitudes toward remote work. Additionally, capital markets shifts squeezed the borrowing power of buyers.

Although initially there was optimism that 2024 will see multiple cuts to interest rates based on signals from the Federal Reserve, recently, due to inflation growth being above the 2.0% annual target, it seems as if the Fed is adopting a wait-and-see attitude. Furthermore, it appears that at best, one rate cut may occur in 2024, and that is if financial indicators support such. Considerate of the above, the subject is considered to be located in a stable market with adequate demand for residential condominiums with a cautiously optimistic outlook in the near term.

Sales History

The appraiser is not aware of any sales or transfers within the past three years.

Unit 11B is currently listed for sale on Streeteasy by Eleonora Srugo from Douglas Elliman Realty. The unit has been on the market for approximately 61 days with a listing price of \$2,150,000.

Unit PHA is currently listed for sale on Streeteasy by Eleonora Srugo from Douglas Elliman Realty. The unit has been on the market for approximately 183 days with a listing price of \$12,500,000. It is listed as a blank canvas ("vanilla-box") condition. However, per the owner the sales price includes interior finishing.

The listings' prices are similar to the values concluded herein for the above units and are therefore considered to be market oriented. As far as the appraiser is aware, none of the subject's units are currently under contract, and other than the two above, none are listed for sale.

Site Description

In the site description the off-site, as well as on-site, improvements that make the site ready for its intended use or development are described. Any on-site improvements that add to or detract from a property's probable optimum use are noted. The quality, condition, and adequacy of sewers, curbs, utility hookups, and other improvements influence a site's use and value. This section describes land improvements such as grading, landscaping, fences, curbs, gutters, paving, walks, roads, and other man-made land improvements. The value of site improvements is typically considered part of site value.

Location:	172 Madison Avenue, New York, NY 10016
Block/Lot:	Block: 863, Lots: 1126, 1135, 1141, 1144, 1168, 1170, 1171, 1172, 1173 & 1174
Subject Units	11B, 15B, 17B, 18B, 27A, PHA, PHB, PHC, PHD, & PH SKY
Census Tract:	0074.00
Lot Size:	10,702± square feet
Frontage:	The property possesses 84.06± front feet on Madison Avenue and 120± front feet on East 13th Street.
Shape:	L-Shaped
Ingress / Egress:	Pedestrian access is via Madison Avenue and East 33rd Street.
Topography &	The site is generally level and at grade with the surrounding roadways. The property is improved with the building and site improvements. No adverse soil conditions were apparent at the time of inspection and based on the existence of the subject improvements and other neighboring structures, the load bearing qualities of the soil appear to be adequate.
Terrain:	
Site Improvements:	All of the finished units were found to be in good newly built condition and the unfinished units are assumed to be in good newly built condition upon completion.
Flood Plain:	The site is situated in Zone X, which is an area of minimal flood hazard determined to be outside the 500-year flood according to FEMA map, panel number 3604970201F, dated 09/05/2007, the site is not located within a flood zone (Zone X).

Improvement Description

General construction features of the current structure and unit are summarized below:

Net Unit Area:	27,913± above grade square feet
Year Built:	2017±
Stories	33; 34 with the 32nd floor's mezzanine
Units	74; 72 residential, 2 commercial
Framing:	Steel and concrete
Exterior Walls:	Plate glass curtain with tilting windows.
Windows:	Storefront Windows
Roof	Flat Roof
Plumbing	&
Sewage:	Standard grade plumbing fixtures with cast iron waste lines.
HVAC:	Central AC and Heat
Electrical	&
Lighting	The building appears to be serviced by an adequate system. It
Systems:	appears to be that the improvements adequately comply with the building codes of the city.
Sprinklers:	Yes
Elevator	Yes
Parking:	Street Parking

Taxes & Assessment

Existing assessment trends or prospective changes in tax rates were analyzed. Current assessed values and ad valorem tax rates are reported as of the valuation and a calculation of the current annual tax load of the subject is included.

Assessed Value.....

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.¹¹

The 2024/2025 real estate taxes and assessments for the subject are described as follows.

SUBJECT UNIT BREAKDOWN							
Tax Lot	Unit	Floor	Beds	Baths	Size (SF)	Unit Amenity	Finished
1126	11B	11	2	2.5	1,488		Yes
1135	15B	15	2	2.5	1,488		Yes
1141	17B	17	2	2.5	1,488		Yes
1144	18B	18	2	2.5	1,488		Yes
1168	27A	27	3	3.5	2,146		Yes
1170	PHA	28	5	4.5	3,548	Terrace	No
1171	PHB	29	5	4.5	3,548	Terrace	No
1172	PHC	30	5	4.5	3,548	Terrace	No
1173	PHD	31	5	4.5	3,548	Terrace	No
1174	PH SKY 32+Mez, 33	11	14		5,623	Roof Deck, Pool, Jacuzzi	No
Total	10		42	45.5	27,913		

The units comprising the subject are all tax class 2. The lower of the market or transitional assessed values is utilized and multiplied by the tentative 2024/2025 tax rate for tax class 2 properties of 12.296%. Taxes per unit range from \$41,378 to \$171,967 per unit, totaling \$803,274 annually, or from \$27.81 to \$30.58 per square foot, averaging \$28.78 per square foot.

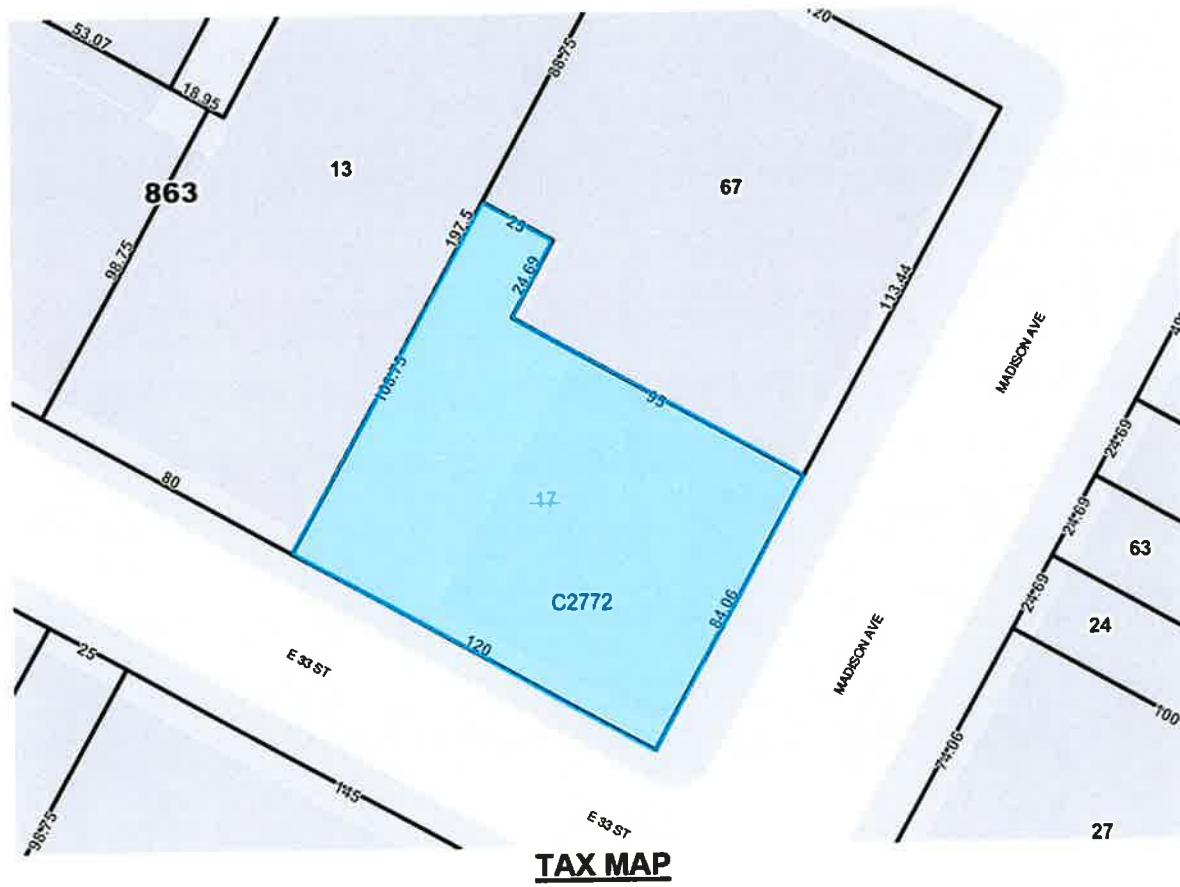
¹¹ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 11.

Taxes and Assessments

New York City values condo buildings utilizing statistical modelling and assessor review to estimate income and expenses based on similar rental buildings regarding size, location, number of units and age. Then, a capitalization rate is applied to the estimated net operating income. Market value is determined for the entire condo building and for each unit. For condominiums created after July 2007, the market value of units is based on the interest percentage provided by the condo board, also known as "unit allocation factor".

Once the property's market value is determined, its assessed value is calculated by multiplying the market value by the assessment percentage of 45%. State law requires that any changes to assessed values (increases or decreases in market value) are phased in over a five-year period. This results in the application of 20% of the change per year over a five-year period. It is noted that in a given year, there can be multiple phase-ins that are applied.

Taxes & Assessment



Zoning

Land use and development may be regulated by city or county government, but it is also often subject to regional, state, and federal controls as well. In analyzing zoning and building codes, an appraiser considers all current regulations and the likelihood of a change in the code. Usually, a zone calls for a general use, such as residential, commercial or industrial, and then specifies a type or density of use. Zoning regulations may control the height and size of buildings, lot coverage, the number of units allowed, parking requirements, sign requirements, building setbacks, and other factors of importance to the highest and best use of the site.

Because land use restrictions and government programs in an area can affect land uses, they can also affect values. The construction of a specific type of property may enhance or detract from the value of the site and or any existing improvements, not to mention neighboring or adjoining uses. One of the criteria for the highest and best use conclusion is that the use must be legally permissible.

Zoning

"Public regulation of the use of private land through application of police power; accomplished by establishing districts or areas with uniform requirements relating to lot coverage, setbacks, type of improvement, permitted activities, signage, structure height, minimum lot area, density, landscaping, and other aspects of land use and development. Zoning regulations are established by enactment of a local (city, town, or county) zoning ordinance."¹²

The appraiser has studied the zoning data and has determined that the subject property is located in an **C5-2 – commercial zoning district.**

¹² The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 207.

Zoning

C5 – Commercial Zoning:

C5 is a central commercial district with continuous retail frontage intended for offices and retail establishments that serve the entire metropolitan region. Famous shopping streets, such as Fifth Avenue, Madison Avenue and East 57th Street are C5 districts. Parts of Lower Manhattan, Downtown Brooklyn and Long Island City are also within C5 districts.

Department stores, large office buildings, and mixed buildings with residential space above office or commercial floors, are typical C5 uses. Use Groups 5 (hotels), 6, 9 and 10 (retail shops and business services) and 11 (custom manufacturing) are permitted in C5 districts. Home maintenance services, auto rental establishments and other uses not in character with the district, including illuminated signs, are not permitted.

The maximum commercial floor area ratio (FAR) ranges from 4.0 to 15.0, and the maximum residential FAR is 10.0. Floor area may be increased by a bonus for a public plaza or Inclusionary Housing.

In the two contextual C5 districts—C5-1A and C5-2A—residential bulk and density are governed by R10A regulations. In non-contextual C5-2 through C5-5 districts, a building occupied by commercial, residential and/or community facility uses may be configured as a tower. A residential tower is also allowed in C5-1 districts.

All commercial uses in C5 districts are exempt from off-street parking requirements because public transportation is easily accessible.

C5-1 Commercial Zoning District

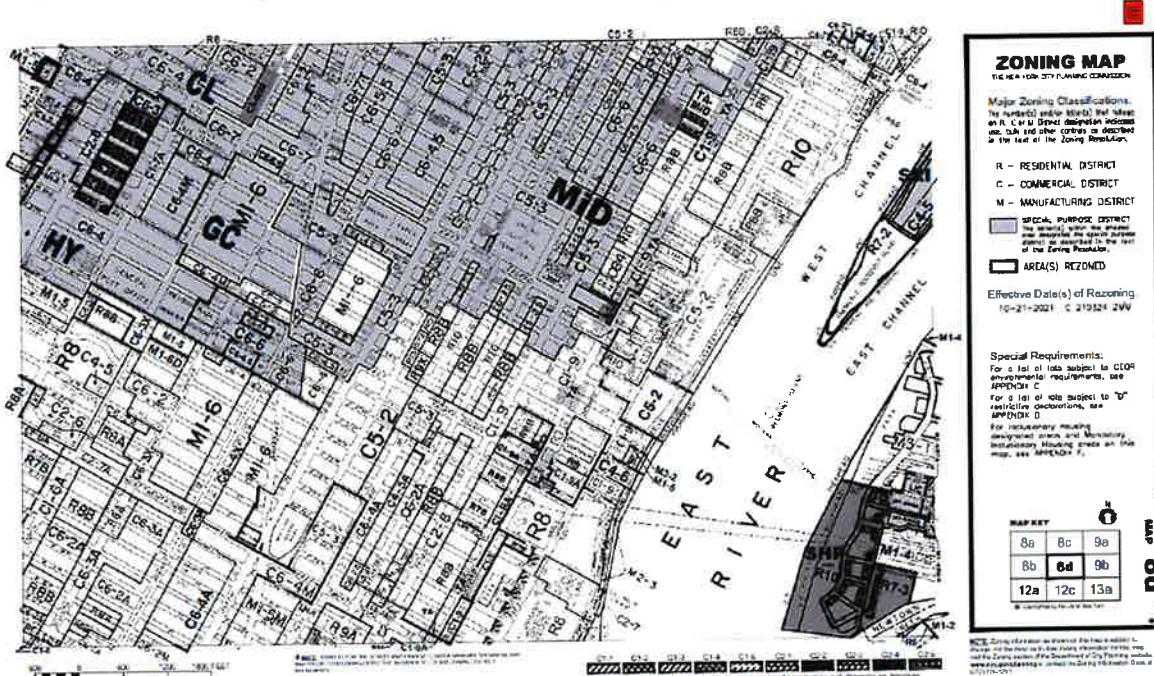
C5	Restricted Commercial District					
	C5-1	C5-2	C5-3 C5-5	C5-4	C5-1A	C5-2A
Commercial FAR	4.0	10.0	15.0	10.0	4.0	10.0
Residential District Equivalent	R10	R10	R10	R10		R10A
Required Accessory Parking PRIC-B				None		
Permitted Sign Regulations (surface area)	3 X street frontage (200 sf total)	3 X street frontage (200 sf total)	3 X street frontage (200 sf total)	5 X street frontage (500 sf total)	3 X street frontage (200 sf total)	

C5-2 residential zoning equivalent is R10 with 10.00 FAR and community facility development is permitted with 10.00 FAR. In addition, up to 20% bonus FAR, resulting in 12.00 FAR can be gotten for a plaza, at a rate of 6 square feet of bonus FAR for every 1 foot of plaza provided.

Zoning

Analysis of The Zoning

An analysis of the zoning regulations in regard to the subject improvements appears to indicate that the subject meets the use and density requirements. The subject is considered to be legally conforming to local zoning codes.



ZONING MAP

Lot Size (SF)	X	10 FAR (As of Right)	=	Total Buildable SF
10,702.05± SF		10.00		107,021± SF

The subject's total GBA, as per the ZD1 is 148,724± square feet above grade. Per the ZD1, after zoning deductions, the ZFA is 127,781± square feet, illustrating that the subject's utilized the bonus FAR from providing a plaza.

*Note: The appraiser is not an expert in analysis of New York City zoning regulations. If there is any question regarding zoning, it is recommended that a zoning expert be consulted.

Highest and Best Use

The objective of the highest and best use analysis is to determine which use or uses produce the greatest return on capital, time and effort. In an appraisal, the concept of highest and best use represents the premise upon which value is based.

The reasoning for the highest and best use analysis is to establish guidelines, for use, that result in the highest return on investment. The process takes into consideration physical and legal restrictions as well as limitations imposed by economic factors.

For the purpose of this appraisal highest and best use is defined as:

Highest and Best Use.....

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

[For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E)

Highest and Best Use

The highest and best use conclusion is based upon a deductive process, first considering all uses and then eliminating those that do not meet the four criteria. A highest and best use determination of the subject is reached when all the reasonably probable alternatives have been considered and a conclusion has been reached as to the best among them.

In order to establish the highest and best use of the subject, data is extracted from city, regional and governmental sources relative to the four criteria, and then analyzed. The results of the analysis are used to decide what impact this information has on the highest and best use of the subject.

The conclusion of highest and best use of the subject denotes specific parameters for selecting comparable information in the three approaches to value. Therefore, highest and best use is directly related to value.

Highest and Best Use

Analysis Of the Subject as If Vacant

Legally Permissible: Legal restrictions, as they apply to the subject property, include the public restrictions of zoning and the private restrictions of easements and restrictive covenants. The site is zoned C5-2 commercial district, wherein residential, commercial and community facility uses are legally permitted. There are no known private restrictions on land uses. In addition, there are no known adverse easements, which affect the property.

Physically Possible: The shape and size of the parcel lends itself to a variety of residential, community facility and commercial development possibilities. The topography and soil compositions appear to be adequate to support development of the parcel based upon the existence of the subject improvements and the surrounding structures. As mentioned in the site description, the property is generally level at street grade. Therefore, the physical characteristics of the parcels do not inhibit development of the site.

Financially Feasible: The demand for vacant land in such a developed area is difficult to measure due to the scarcity of vacant land which can be developed in a financially feasible manner. Based upon the uses permitted within the zoning codes, the parcels could be improved with residential project that would have to provide a positive net return to the land to be economically feasible. Land of this size could support commercial, community facility, and residential developments. The property is located within a densely developed commercial and residential district. Residential and commercial rents as well as sale prices are stable.

Maximally Productive: Based upon the analysis of the legally permitted, physically possible and financially feasible uses for the property, the most profitable and highest and best use for the subject, as vacant, is mixed-use commercial and residential development to the maximum bulk permitted, under the zoning codes.

Highest and Best Use

Analysis Of the Subject as Improved

This analysis of the subject as improved is a determination of what should be done with the existing improvement. There are three possible choices: leave the existing improvement(s) unchanged, demolish the improvement(s), or modify the improvement(s).

Legally Permissible: The subject's improvements consisting of mixed-use commercial with residential above are legally permitted.

Physically Possible: Based upon the existence of the subject improvements, it is physically possible.

Financially Feasible: Considerate of the market value of the subject's units as well as the local market, the subject as well as the entire condominium appear to be financially feasible.

Maximally Productive: The current use, as a mixed-use commercial with residential above, are similar to the highest and best use as vacant. As such, the current use is the maximally productive use.

Valuation Process

Market Value: The valuation process contains all the steps necessary for this type of assignment. The appraisal process also establishes the methodology for estimating many other forms of value. A specific series of procedures constitutes the valuation process; the application of these procedures depends on the nature of the appraisal assignment and the data available.

Traditional appraisal theory applies three approaches to arrive at an estimate of value. The foundations for these approaches are Cost, Market (Sales Comparison) and Income. One or more approaches to value may be used depending on their applicability to the particular appraisal assignment. All three approaches are applicable to many appraisal problems, but one or more of the approaches may have greater significance in a specific assignment. Wherever possible, the appraiser applies the approach or approaches deemed most appropriate in order to arrive at a final value estimate.

In an appraisal assignment, the ultimate goal of the valuation process is a well-supported conclusion that reflects all the factors that influence the value of the property being appraised. To achieve this goal, an appraiser studies a property from three different viewpoints, which correspond to the three traditional approaches to value. Other procedures such as the use of inferential statistics, regression analysis and economic models also contribute to the valuation process by providing the basis for assumptions, forecasts and conclusions.

From the approaches applied, the appraiser derives separate indications of value for the property being appraised. One or more of the approaches may not be applicable to a specific assignment or may be less reliable due to the nature of the property, the needs of the client, or the data available. The alternative value indicators approach value from the various points of perception, thus addressing the different reasoning and rational for the final conclusion. In addition, alternative methods can serve as useful checks on one another. The appraisal process is reconciled in a conclusion which integrates the information drawn from market research and data with the appropriate valuation techniques. This conclusion may be presented as a single point estimate of value or as a range within which the value may fall.

Valuation Process

As the subject consists of ten condominium units, which are typically sold individually, the sales comparison approach is determined to be the sole approach to derive the market values of the units. The income approach was not considered a reliable indicator of value, as similar units are generally purchased by owners and these units do not trade based on their potential income stream. As such, it was not developed. The cost approach is not relevant to individual condominium units and was therefore not developed.

To determine the as is market value the net residual method was developed

The Sales Comparison Approach

The Sales Comparison Approach is the process in which a Market Value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. Estimates of market rent, cost, depreciation, and other value parameters may be derived in the other approaches to value using comparative techniques. Often these elements are also analyzed in the Sales Comparison Approach to determine the adjustments to be made to the sale prices of comparable properties. The comparative techniques of analysis applied in the Sales Comparison Approach are fundamental to the valuation process.

In the Sales Comparison Approach, market value is estimated by comparing the subject property to similar properties that have recently sold, are listed for sale, or are under contract (i.e., recently drawn up purchase offers accompanied by a cash or equivalent deposit). A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.

The comparative analysis performed in the approach focuses on similarities and differences among properties and transactions that affect value. These may include differences in the property rights appraised, the motivations of buyers and sellers, financing terms, market conditions at the time of sale, size, location, physical features, and if the properties produce income, economic characteristics. Elements of comparison are tested against market evidence to determine which elements are sensitive to change and how they affect value.

The Sales Comparison Approach

Procedure

To apply the Sales Comparison Approach, an appraiser follows a systematic procedure. A general outline of the basic procedure follows.

1. Research the market to obtain information on sales transactions, listings, and offers to purchase or sell properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, location, and zoning.
2. Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations. Verification may also elicit additional information about the market.
3. Select relevant units of comparison) e.g., income multipliers or dollars per acre or per square foot) and develop a comparative analysis for each unit.
4. Compare comparable sale properties with the subject property using the elements of comparison and adjust the sale price of each comparable appropriately to the subject to varying occupancies and economies, a resulting range of values may be a better conclusion than a single value estimate in certain cases.

Adjustments can be made either to total property prices or to appropriate units of comparison. Often adjustments for the property rights conveyed, financing, conditions of sale (motivation), and date of sale (market conditions) are made to the total sale price. The adjusted price is then converted into a unit price (e.g., per square foot, per apartment unit, or per acre) and adjusted for other elements of comparison such as location and physical characteristics.

The sales comparison approach will be used to derive the individual units' market value. In the case of the subject property, the unit of comparison selected is the price per square foot, as this is typically the measure by which this type of property is valued.

Gross Sellout Value

On the following pages, sales of individual residential condominium units are presented. The sold units represent units similar to the subject situated within the subject immediate and surrounding neighborhoods. In the discussion below, the appraiser outlines various adjustments for market factors which differ from those of the subject.

Adjustment Process Overview: In analyzing comparable sales data, it is important to note that the adjustment process adjusts the comparable sales to the subject. In adjusting for significant variations between the subject and the comparable properties, the analysis includes a percent adjustment reflecting the appropriate market reaction to those items. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject. For example, if the comparable sale has a location inferior to the subject, it would require an upward adjustment in order to reflect the subject's geographical characteristics. All adjustments utilized will follow this process of adjusting the comparable sale to the subject.

Real Property Rights Conveyed: The transaction price can be based upon the property interest conveyed. For condominium units the interest appraised is generally the fee simple interest upon which all of the comparables transferred, similar to the subject units' interest. Therefore, no property rights adjustments are necessary.

Financing Terms: A property's sales price can also be influenced by the financing obtained to purchase the property. Any unusual financing such as below rate financing, balloon mortgages, installment sales contracts or any other unusual financing is examined and any appropriate adjustment is applied if necessary. No adjustments were necessary.

Conditions of Sale: Conditions of sale adjust for the motivation of the buyer and seller. An appropriate adjustment is developed based on whether the sale was an arm's length transaction, a distressed property sale, a foreclosure or a land assemblage. The comparables were verified to be arm's length transactions. No adjustments were necessary.

Gross Sellout Value

Date of Sale/Market Conditions: This adjustment reflects the change in value from the date of sale to the date of appraised value caused by changes in market conditions. The adjustments applied to the comparable are derived from primary and secondary data extracted from the market as well as information provided by financial institutions and real estate publications. no adjustments were required.

Year Built/Condition: The subject's units which are finished are in good condition and the unfinished units are assumed to be in good condition upon completion. Comparable sales that appeared to be in inferior condition were adequately adjusted.

Building Amenities: The subject building features amenities such as a concierge department, indoor and outdoor lounges, gym, pool and jacuzzi, spa, storage facility, pet spa, bike room, and playroom. The comparable sales were adjusted based on the amenities available in their respective building compared to the subject.

Floor Location: The subject's market recognizes that units located on higher floors are deemed superior to units located on lower floors. The appraiser therefore adequately adjusted the comparable sale based on their floor location.

Private Outdoor Space: The subject's A and B units do not feature private outdoor space. The comparables were therefore adequately adjusted to reflect the difference. The penthouse units will feature private terraces. The comparable sales that do not feature private outdoor space were adequately adjusted upward to reflect the difference.

Views: Unit 27A and the penthouse units will feature views of the Manhattan's skyline including the empire state building. The comparables were adequately adjusted.

Ceiling Height: The subject's A & B units feature approximately 9 to 10-foot ceiling heights. The penthouse units feature approximately 18-foot ceiling height. Each set of sales were appropriate adjusted to reflect the difference in ceiling height.

Gross Sellout Value



Comparable Sale #1, 2 & 8: 172 Madison Avenue, New York, NY (Subject Building)



Comparable Sale #3 & 11: 215 West 28th Street, New York, NY

Gross Sellout Value



Comparable Sale #4: 501 Third Avenue, New York, NY



Comparable Sale #5: 181 East 28th Street, New York, NY

Gross Sellout Value



Comparable Sale #6, 7 & 12: 15 East 30th Street, New York, NY



Comparable Sale #9 & 10: 368 Third Avenue, New York, NY

Gross Sellout Value



Comparable Sale #13: 23 East 22nd Street, New York, NY



Comparable Sale #14 & 17: 553 West 30th Street, New York, NY

Gross Sellout Value



Comparable Sale #15: 39 West 23rd Street, New York, NY



Comparable Sale #16: 35 Hudson Yards, New York, NY

Gross Sellout Value

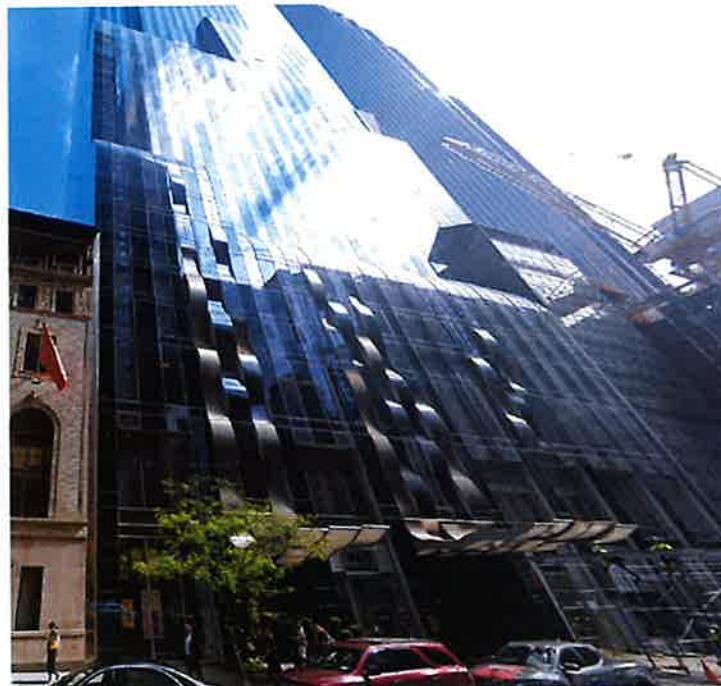


Comparable Sale #18: 140 West 12th Street, New York, NY



Comparable Sale #19: 555 West 22nd Street, New York, NY

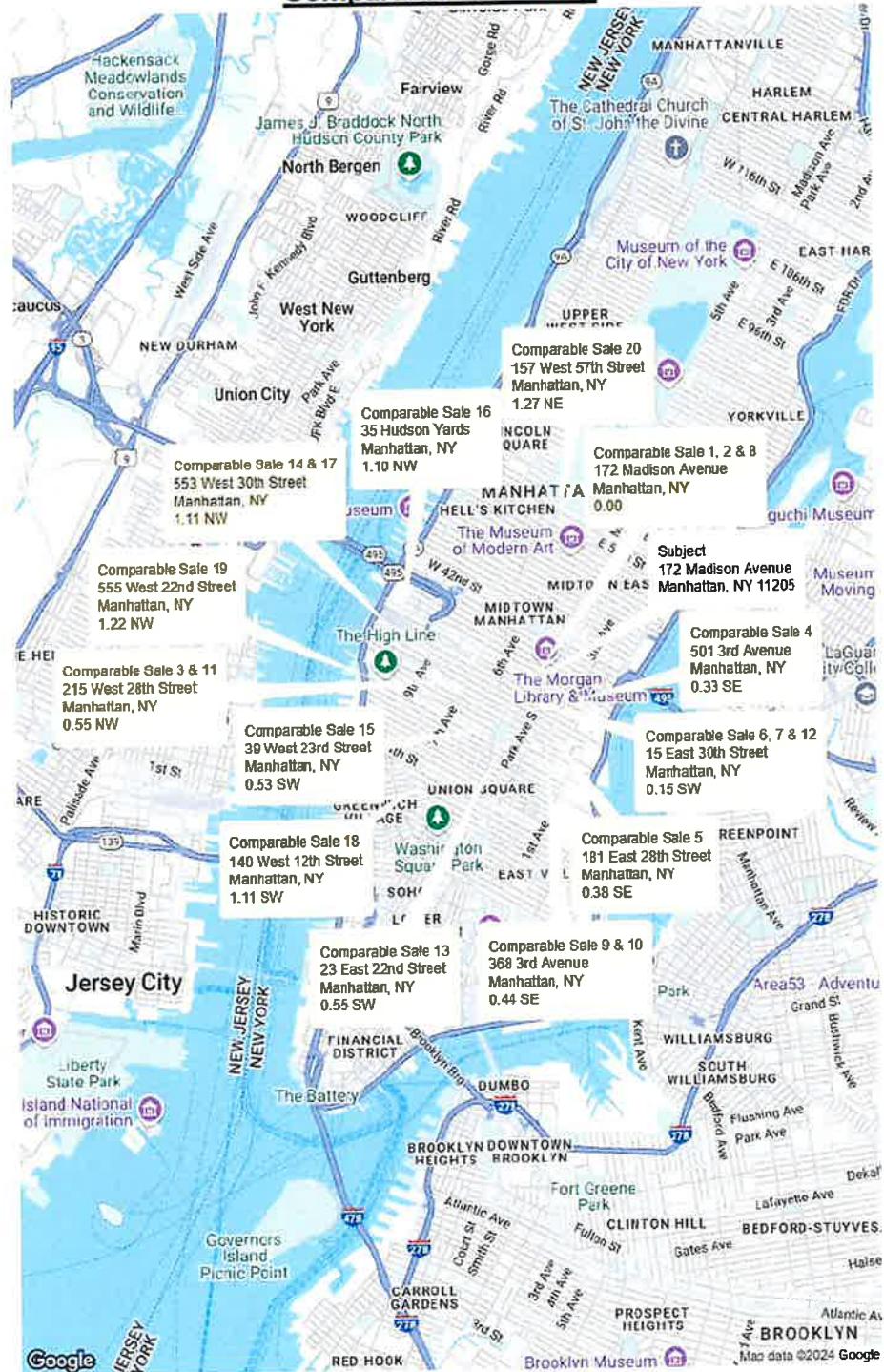
Gross Sellout Value



Comparable Sale #20: 157 West 57th Street, New York, NY

Gross Sellout Value

Comparable Sales Map



Gross Sellout Value

COMPARABLE CONDOMINIUMS SALES																				
No.	Dist.	Address	Unit	Dist.	Block-Lot	Size	BR/BA	Space	Yr. Blt.	Sales Date	\$/SF	Avg \$/SF	Cond	Amen.	Pvt Floor Space	Calling Views Height	\$/SF	Avg \$/SF		
2 Bedroom Condo Units Comparables																				
1	0.00	172 Madison Ave	10B	0.00	863-1123	1,488	2/2.5		2017	\$2,285,000	Jan-22	\$1,536	0%	0%	0%	0%	0%	\$1,536		
2	0.00	172 Madison Ave	8A	0.00	863-1116	1,479	2/2.5		2017	\$2,250,000	Jul-23	\$1,521	0%	0%	0%	-5%	0%	\$1,445		
3	0.55	215 West 28th St	8A	0.55	778-1139	1,136	2/2.5		2022	\$2,200,356	Feb-24	\$1,937	0%	0%	0%	0%	0%	\$1,937		
4	0.33	501 Third Ave	10D	0.33	914-1047	1,151	2/2	Ter	2022	\$2,523,250	Apr-24	\$2,192	0%	5%	0%	-5%	0%	\$2,192		
5	0.38	181 East 28th St	1502	0.38	884-1238	1,267	2/2.5	Ter	2021	\$2,900,000	Mar-24	\$2,289	0%	5%	0%	-5%	0%	\$2,174		
6	0.15	15 East 30th St	19C	0.15	860-1420	1,371	2/2		2021	\$2,950,000	Mar-24	\$2,152	0%	0%	0%	-5%	-2.5%	\$1,990		
3 Bedroom Condo Units Comparables																				
7	0.15	15 East 30th St	55C	0.15	860-1589	1,788	3/2.5		2021	\$5,515,000	May-24	\$3,084	0%	0%	-5%	0%	0%	\$2,930		
8	0.00	172 Madison Ave	25A	0.00	863-1164	2,146	3/3.5		2021	\$4,083,000	Nov-22	\$1,903	0%	0%	0%	0%	0%	\$1,903		
9	0.44	368 Third Ave	29A	0.44	882-1392	1,490	3/3.5		2021	\$3,500,000	May-24	\$2,349	\$2,434	0%	5%	0%	0%	0%	\$2,466	
10	0.44	368 Third Ave	30A	0.44	882-1394	1,490	3/3.5		2021	\$3,575,000	Aug-24	\$2,399	0%	5%	0%	0%	0%	\$2,519		
11	0.55	215 West 28th St	15C	0.55	778-1174	1,848	3/3.5		2022	\$4,495,357	Feb-24	\$2,433	0%	0%	0%	5%	0%	\$2,554		
Penthouse/Duplex Condo Units Comparables																				
12	0.15	15 East 30th St	59B	0.15	860-1598	2,955	3/3.5		2021	\$11,250,000	Feb-23	\$3,807	0%	0%	-5%	5%	0%	0.0%	\$3,807	
13	0.55	23 East 22nd St	57A	0.55	851-1970	3,310	4/4.5		2009	\$12,500,000	Oct-22	\$3,776	\$3,622	0%	0%	-5%	5%	0%	0.0%	\$3,776
14	1.11	553 West 30th St	PH83B	1.11	702-1267	3,203	4/4.5	Ter	2018	\$9,950,000	Mar-24	\$3,106	0%	0%	-5%	0%	0%	0%	\$2,951	
15	0.53	39 West 23rd St	19A	0.53	825-1135	3,192	4/4		2022	\$12,120,000	Feb-24	\$3,797	0%	5%	0%	0%	2.5%	\$4,082		
Skyhouse/Duplex Condo Units Comparables																				
16	1.10	35 Hudson Yards	PH90	1.10	702-1545	10,171	5/6.5	Ter	2020	\$35,003,750	Sep-22	\$3,442	0%	0%	-10%	0%	0%	2.5%	\$3,183	
17	1.11	553 W 30th St	PH88B	1.11	702-1286	5,211	4/6.5		2018	\$20,000,000	Jan-24	\$3,838	0%	0%	0%	0%	0%	0%	\$3,838	
18	1.11	140 West 12th St	PH6B	1.11	607-1496	5,304	5/5.5	Ter	2015	\$24,500,000	Aug-24	\$4,619	\$4,540	0%	5%	0%	5%	5%	\$5,312	
19	1.22	555 West 22nd St	22AW	1.22	694-1239	4,091	5/5.5		2021	\$23,504,750	Apr-23	\$5,745	0%	0%	0%	0%	0%	0%	\$5,745	
20	1.27	157 West 57th St	88	1.27	1010-1697	6,231	4/4		2013	\$31,500,000	Nov-23	\$5,055	5%	0%	-10%	5%	0%	0%	\$5,055	

Gross Sellout Value

Remarks & Conclusions: The adjustment process considers the value of the subject's finished units (11B, 15B, 17B, 18B, 27A). The appraiser analyzed the comparable sales and estimated the final values for the residential units, based on the units' bedroom and bathroom counts, location and outdoor space. Most emphasis was placed on the comparable condominium units that sold within the subject's building.

The comparable two-bedroom condominium units after adjustments were from \$1,445 to \$2,192 per square foot, with an average of \$1,879 a foot. Considerate of such and with most weight on the two comparables that sold within the subject, which were on lower floors, the appraiser concludes to an average of \$1,600 per square foot, for the subject's finished two-bedroom condominium units (11B, 15B, 17B, 18B & 27A).

The comparable three-bedroom condominium units after adjustments were from \$1,903 to \$2,930 per square foot, with an average of \$2,434 a foot. Considerate of such and with most weight on the one comparables that sold within the subject, albeit on a lower floor, the appraiser concluded to \$2,000 per square foot, for the subject's finished three-bedroom condominium unit (27A).

GROSS SELLOUT VALUES - FINISHED UNITS								
Unit	Lot	Floor	Tax		Size (SF)	Amenity	Unit	Estimated
			Beds	Baths			Value PSF	Market Value
11B	1126	11	2	2.5	1,488		\$1,600	\$2,380,800
15B	1135	15	2	2.5	1,488		\$1,600	\$2,380,800
17B	1141	18	2	2.5	1,488		\$1,600	\$2,380,800
18B	1144	18	2	2.5	1,488		\$1,600	\$2,380,800
27A	1168	27	3	3.5	2,146		\$2,000	\$4,292,000
Total			11	13.5	8,098			\$13,815,200
						Rounded		\$13,800,000

Therefore, it is the opinion of the appraiser that the aggregate As Is Gross Sellout Market Value of the subject's finished condominium units 11B, 15B, 17B, 18B & 27A, as of September 10, 2024, is concluded to be:

THIRTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
\$13,800,000

Gross Sellout Value

The comparable penthouse condominium units after adjustments were from \$2,951 to \$4,082 per square foot, with an average of \$3,654 a foot. Considerate of such, the appraiser concluded to an average value of \$3,550 per square foot, for the subject's prospective as completed market values for the unfinished units (PHA, PHB, PHC & PHD).

The comparable skyhouse condominium units after adjustments were from \$3,183 to \$5,745 per square foot, with an average of \$4,627 a foot. Considerate of such, the appraiser concluded to a value of \$4,600 per square foot, for the subject's prospective as completed market value for the unfinished skyhouse unit (PH SKY).

GROSS SELLOUT VALUES - UNFINISHED UNITS PROSPECTIVE AS COMPLETED									
Tax					Unit		Estimated		
Unit	Lot	Floor	Beds	Baths	Size (SF)	Amenity	Value PSF	Market Value	
PHA	1170	28	5	4.5	3,548	Terrace	\$3,550	\$12,595,400	
PHB	1171	29	5	4.5	3,548	Terrace	\$3,550	\$12,595,400	
PHC	1172	30	5	4.5	3,548	Terrace	\$3,550	\$12,595,400	
PHD	1173	31	5	4.5	3,548	Terrace	\$3,550	\$12,595,400	
PH SKY	1174	32	11	14.0	5,454	Terrace	\$4,600	\$25,088,400	
Total			31	32.0	19,646			\$75,470,000	
							Rounded	\$75,500,000	

Therefore, it is the opinion of the appraiser that the aggregate Prospective Gross Sellout Market Value of the subject unfinished units PHA, PHB, PHC, PHD & PH SKY upon completion, as of September 10, 2025, is concluded to be:

SEVENTY-FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS
\$75,500,000

Net Sellout Value

The cost of selling residential condominium units includes transfer taxes. This has been deducted from the proposed gross sellout to derive to a net sellout value.

In addition, absorption is estimated at 6 months at which time property taxes, common charges, and insurance costs are the responsibility of the owner and therefore need to be accounted for via a deduction.

The appraiser analyzed and applied a Discount Cash Flow analysis for the sellout projections; the following assumptions were applied, and was extracted and is common in the subject market area.

Transfer and Selling cost	3.00%
Brokerage Expense	6.00%
Admin Cost	0.50%

Common Charges per Unit per Month*

2 & 3 Bedroom Units	\$2,000
Penthouse Units	\$7,300

Property Tax per Unit per Month*

2 & 3-Bedroom Units	\$3,753
Penthouse Units	\$9,635

Discount Rate	10.00%
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The appraiser applied a 10.00% discount rate that includes a minimal developers/investor return.

*The above common charges for the units is an average of the provided proposed monthly common charges. The above taxes are based on the estimated taxes of each unit.

Net Sellout Units

DISCOUNTED CASH FLOW - NET SELLOUT ANALYSIS - FINISHED UNITS							
172 Madison Avenue New York, NY Units: 11B, 15B, 17B, 18B & 27A							
As Is Market Value As Of	September 10, 2024	Assumptions					
		5 Total Units					3.00% Transfer and Selling Cost
		\$2,763,040 Average Condo Residential Market Value					6.00% Brokerage Expense
		0-1 Unit per Month absorption					\$2,000 Average Common Charges per Unit/Month
		\$13,815,200 Aggregate As Is Market Value for Finished Units					0.50% Admin Cost
							\$3,753 Property Tax per Unit/Month
							10.00% Discount Rate
Gross Income	Month	1	2	3	4	5	Total
Units Sold		0	1	1	1	1	5
Cumulative Units Sold		0	1	2	3	4	5
Remaining Unsold units		5	4	3	2	1	0
Gross Sales Income - Condo Units (Average)		\$0	\$2,763,040	\$2,763,040	\$2,763,040	\$2,763,040	\$13,815,200
Cost Of Sales							
Marketing / Brokerage		\$0	\$165,782	\$165,782	\$165,782	\$165,782	\$828,912
Administration		\$0	\$13,815	\$13,815	\$13,815	\$13,815	\$69,076
HOA Fees		\$10,000	\$8,000	\$6,000	\$4,000	\$2,000	\$30,000
Transfer and Selling Cost		\$0	\$82,891	\$82,891	\$82,891	\$82,891	\$414,456
Property Tax		\$18,766	\$15,013	\$11,259	\$7,506	\$3,753	\$56,297
Total		\$28,766	\$285,501	\$279,748	\$273,995	\$268,242	\$262,489
Net Sales Proceed		-\$28,766	\$2,477,539	\$2,483,292	\$2,489,045	\$2,494,798	\$2,500,551
Discount Rate	10.00%	-\$28,528	\$2,436,757	\$2,422,230	\$2,407,777	\$2,393,397	\$2,379,091
Total Net Present Value		\$12,010,724					
Rounded		\$12,000,000					

Republic Valuations

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Net Sellout Value

Based on the preceding analysis, the aggregate Net Sellout Market Value of the subject's condominium units 11B, 15B, 17B, 18B, & 27A, which are finished, via the Sales Comparison Approach, as of September 10, 2024, is concluded to be:

TWELVE MILLION DOLLARS
\$12,000,000

Net Sellout Value – Prospective As Completed Units

DISCOUNTED CASH FLOW - NET SELLOUT ANALYSIS - UNFINISHED UNITS - AS COMPLETED								
172 Madison Avenue New York, NY Units: PHA, PHB, PHC, PHD & PHSKY								
As Is Market Value As Of September 10, 2025		Assumptions						
		5 Total Units \$15,094,000 Average Condo Retail Market Value 0-1 Unit per Month absorption \$75,470,000 Aggregate retail market value for unit						
		3.00% Transfer and Selling Cost 6.00% Brokerage Expense \$7,300 Average Common Charges per Unit/Month 0.50% Admin Cost \$9,635 Property Taxes per Unit/Month 10.00% Discount Rate						
Gross Income	Month	1	2	3	4	5	6	Total
Units Sold		1	0	1	1	1	1	5
Cumulative Units Sold		1	1	2	3	4	5	
Remaining Unsold units		4	4	3	2	1	0	
Gross Sales Income - Condo Units (Average)		\$15,094,000	\$0	\$15,094,000	\$15,094,000	\$15,094,000	\$15,094,000	\$75,470,000
Cost Of Sales								
Marketing / Brokerage		\$905,640	\$0	\$905,640	\$905,640	\$905,640	\$905,640	\$4,528,200
Administration		\$75,470	\$0	\$75,470	\$75,470	\$75,470	\$75,470	\$377,350
HOA Fees		\$29,200	\$29,200	\$21,900	\$14,600	\$7,300	\$0	\$102,200
Transfer and Selling Cost		\$452,820	\$0	\$452,820	\$452,820	\$452,820	\$452,820	\$2,264,100
Property Tax		\$38,539	\$38,539	\$28,904	\$19,269	\$9,635	\$0	\$134,886
Total		\$1,501,669	\$67,739	\$1,484,734	\$1,467,799	\$1,450,865	\$1,433,930	\$7,406,736
Net Sales Proceed		\$13,592,331	-\$67,739	\$13,609,266	\$13,626,201	\$13,643,135	\$13,660,070	\$68,063,264
Discount Rate	10.00%	\$13,479,998	-\$66,624	\$13,274,627	\$13,181,301	\$13,088,611	\$12,996,553	\$65,954,466
Total Net Present Value		\$65,954,466						
Rounded		\$66,000,000						

Republic Valuations

Net Sellout Value – Prospective As Completed Units

Based on the preceding analysis, the aggregate Prospective As Completed Net Sellout Market Value of the subject's unfinished condominium units PHA, PHB, PHC, PHD & PH SKY via the Sales Comparison Approach, as of September 10, 2025, is concluded to be:

SIXTY-SIX MILLION DOLLARS
\$66,000,000

Reconciliation

Aggregate As Is Market Value of Units 11B, 15B, 17B 18B & 27A

The values indicated by the sales approach used in this analysis are:

Cost Approach:	Not Applicable
Income Capitalization Approach:	Not Applicable
Sales Comparison Approach:		
Gross sellout Value		\$13,800,000
Net Sellout Value.....		\$12,000,000

As the subject units will be sold individually, sole emphasis is placed on the sales comparison approach to determine the as is gross and net sellout market values of the subject's finished units 11B, 15B, 17B 18B & 27A.

Therefore, it is the opinion of the appraiser that the aggregate ***As Is Market Value*** of the ***Fee Simple Interest*** of the subject's finished condominium units, as of September 10, 2024, is:

Gross Sellout Value
THIRTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
\$13,800,000

Net Sellout Value
TWELVE MILLION DOLLARS
\$12,000,000

Reconciliation

Aggregate Prospective As Completed Market Value of Units PHA, PHB, PHC, PHD & PH SKY

The values indicated by the sales approach used in this analysis are:

Cost Approach:	Not Applicable
Income Capitalization Approach:	Not Applicable
Sales Comparison Approach:	
Prospective Gross sellout Value	\$75,500,000
Prospective Net Sellout Value	\$66,000,000

As the subject units will be sold individually, sole emphasis is placed on the sales comparison approach to determine the prospective as completed gross and net sellout market values of the subject's unfinished units PHA, PHB, PHC, PHD & PH SKY.

Therefore, it is the opinion of the appraiser that the aggregate **Prospective As Completed Market Value** of the **Fee Simple Interest** of the subject's unfinished condominium units, as of September 10, 2025, is:

Gross Sellout Value
SEVENTY-FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS
\$75,500,000

Net Sellout Value
SIXTY-SIX MILLION DOLLARS
\$66,000,000

As Is Value – Unfinished Units

The following section values the As Is Value of the subject's unfinished condominium units PHA, PHB, PHC, PHD, PH SKY, in white box condition.

The net residual method will include the projected completed value, minus the remaining cost to complete.

Net Residual Method

Current As Is Market Value – Based on the Estimated Budget.

The following section will value the subject's As Is Market Value via the residual method. It is developed via deduction of the remaining construction costs, including soft costs as well as application of appropriate percentages to account for contingency, entrepreneurial profit and financing and closing. Next, these costs are deducted from the as completed market value of the subject.

Net Residual Value

Currently, the subject building is fully completed with the exception of the interior finishes of the five penthouse units. The time of completion, as per the client, is twelve months.

The appraiser was provided with the total soft and hard costs needed for the interior finishes. The appraiser estimated the typical 10% for contingency and 10% for entrepreneurial profit. Additionally, the appraiser added financing and closing costs to the total of 8% for 12 months, the estimated time of completion. Next, the appraiser deducted the remaining costs from the net sellout value to derive to the as is aggregate market value for the subject's five unfinished units PHA, PHB, PHC, PHD & PH SKY.

There was a lack of sales data for residential condominium units that sold in "vanilla-box" condition, which is reasonable, as it would be highly atypical for units to sell in such condition. As such, the appraiser surveyed brokers active in the market, which confirmed that such sales are rare or non-existent. However, the brokers stated that if they should market such units, they would list them at discounts ranging from 20% to 30% and expect a smaller buyer pool. Based on the above, the appraiser applied a 25% discount to the net sellout value to account for the concession required to entice buyers.

The grid that follows summarizes the net sellout method utilized to derive the aggregate as is market value of the subject's unfinished units.

NET RESIDUAL METHOD - AS IS AGGREGATE MARKET VALUE OF UNFINISHED UNITS			
172 Madison Avenue, New York, NY		Per SF	Per Unit
Cost to Complete Interior finishes of 5 Penthouse Units		19,815	5
Total Hard & Soft Cost (provided)	\$ 13,522,753	\$682.45	\$2,704,551
Contingency (Estimated)	10% \$ 1,352,275	\$68.25	\$270,455
Sub-Total	\$ 14,875,028	\$750.70	\$2,975,006
Financing & Closing Costs (8% for 12 Months)	\$ 1,190,002	\$60.06	\$238,000
Entrepreneurial profit	10% \$ 1,487,503	\$75.07	\$297,501
Total Development Cost	\$ 16,362,531	\$825.76	\$3,272,506
Net Sellout Value	\$ 66,000,000	\$3,330.81	\$13,200,000
Buyer's Discount	25% \$ 16,500,000	\$832.70	\$3,300,000
Net Sellout Value As Is	\$ 49,500,000	\$2,498.11	\$9,900,000
Total Development Costs	\$ 16,362,531	\$825.76	\$3,272,506
As Is Net Residual Value	\$ 33,137,469	\$1,672.34	\$6,627,494
Rounded	\$ 33,100,000	\$1,670	\$6,620,000

Net Residual Value

Therefore, the aggregate as is market value for subject's unfinished condominium units PHA, PHB, PHC, PHD and PH SKY via the net residual method, as of September 10, 2024, based on the proposed net sellout value, is:

THIRTY-THREE MILLION ONE HUNDRED THOUSAND DOLLARS
\$33,100,000

Reconciliation

Aggregate As Is Market Values of Units PHA, PHB, PHC, PHD & PH SKY

Sales Comparison Approach:	Not Applicable
Net Residual Approach:	\$33,100,000

Based on the above analysis, it is the opinion of the appraiser that the aggregate As Is Market Value for the subject's unfinished condominium units PHA, PHB, PHC, PHD and PH SKY, as of September 10, 2024, is:

THIRTY-THREE MILLION ONE HUNDRED THOUSAND DOLLARS
\$33,100,000

Addendum

Engagement Letter



09/09/2024

Re: Real Estate Appraisal

Yitzchak Tessler
Madison 33 Owner LLC
c/o Tessler Developments LLC
rtessler@tesslerdevelopments.com

Dear Mr. Tessler,

Pursuant to your request, Republic Valuations is pleased to provide a proposal to appraise the following units.

172 Madison Ave, New York, NY 10016, USA						
Unit	Parcel ID	Rooms	Size	Ext.	SOW	7 Days
PHA	863-1170	5BR/4.5BA	3548	558	AIV + ARV	
PHB	863-1171	5BR/4.5BA	3548	35	AIV + ARV	
PHC	863-1172	5BR/4.5BA	3548	353	AIV + ARV	
PHD	863-1173	5BR/4.5BA	3548	35	AIV + ARV	
PH SKY	863-1174	11BR/14BA	5454	2927	AIV + ARV	
11B	863-1126	2BR/2.5BA	1488	0	AIV	
15B	863-1135	2BR/2.5BA	1488	0	AIV	
17B	863-1141	2BR/2.5BA	1488	0	AIV	
18B	863-1144	2BR/2.5BA	1488	0	AIV	
27A	863-1168	3BR/3.5BA	2146	0	AIV	
						Total

Objectives

We understand that the objective of this assignment is to provide a professional opinion of the fair market value for Bankruptcy purposes.

Professional fees

The fee for the above service is: as above stated. A 50% deposit is required prior to commencement of the assignment and the balance is due upon completion of the report. In order to proceed on this valuation assignment in a timely manner we require as much information possible on the subject property, including income and expenses, rent rolls, leases etc. Please provide the contact information for the inspection and financials of the above property.

Addendum



Confidentiality

Republic Valuations shall not provide a copy of the written Appraisal Report to, or disclose the result of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

Cancellation

This Agreement may be cancelled by the Client at any time prior to Republic Valuations's delivery of the Valuation Assignment upon written notification to Republic Valuations. Client shall pay Republic Valuations for work completed on assignment (fee may be adjusted according to assignment status unless otherwise agreed upon by Republic Valuations and Client in writing. If this letter correctly state your understanding of the scope of work to be performed, please sign and return to us, as your authorization for us to proceed with this assignment. We are grateful for this opportunity to be of service, and please feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that appears to read "Victor Schlesinger".

Victor Schlesinger
Certified General R. E. Appraiser
Republic Valuations

Please sign and return:

Accepted by:

x

A handwritten signature in black ink that appears to read "M.M." or "Mark".

Print Name

A handwritten signature in black ink that appears to read "Yitzchak Tessler".

Title

A handwritten signature in black ink that appears to read "M.M.".

Date 9/9/24

Addendum

Condo Declaration

EXHIBIT B

DESCRIPTION OF THE UNITS

**172 MADISON AVENUE CONDOMINIUM
 172 MADISON AVENUE
 NEW YORK, NEW YORK 10016**

Unit Designation	Tax Lot No.	# of Rooms Bedrooms/ Baths	Floor Location in Building	Approx. Area Sq. Ft.	Approx. Sq. Ft. of Limited Residential Common Elements	Percentage of Common Interest	Percentage of Residential Common Interest	Common Elements to which Unit has Immediate Access
CU-A	1101				N/A	2.5218%	0.0000%	
Cellar		N/A	Cellar	.843				H, ST
1 st Floor		N/A	1	2,754				ST, PL
CU-B	1102				N/A	1.6212%	0.0000%	
Cellar		N/A	Cellar	1,196				H, ST
1 st Floor		N/A	1	1,607				ST, PL
MSN	1103	4/4.5				3.2205%	3.3600%	EL, ST, T
2 nd Floor		N/A	2	594				
3 rd Floor		N/A	3	2,958	2,948			
4A	1104	2/2.5	4	1,479	N/A	1.2605%	1.3151%	H, EL, ST
5A	1107	2/2.5	5	1,479	N/A	1.2605%	1.3151%	H, EL, ST
6A	1110	2/2.5	6	1,479	N/A	1.2605%	1.3151%	H, EL, ST
7A	1113	2/2.5	7	1,479	N/A	1.2605%	1.3151%	H, EL, ST
8A	1116	2/2.5	8	1,479	N/A	1.2605%	1.3151%	H, EL, ST
9A	1119	2/2.5	9	1,479	N/A	1.2605%	1.3151%	H, EL, ST
10A	1122	2/2.5	10	1,479	N/A	1.2605%	1.3151%	H, EL, ST
11A	1125	2/2.5	11	1,479	N/A	1.2605%	1.3151%	H, EL, ST
12A	1128	2/2.5	12	1,479	N/A	1.2605%	1.3151%	H, EL, ST
14A	1131	2/2.5	14	1,479	N/A	1.2605%	1.3151%	H, EL, ST
15A	1134	2/2.5	15	1,479	N/A	1.2605%	1.3151%	H, EL, ST
16A	1137	2/2.5	16	1,479	N/A	1.2605%	1.3151%	H, EL, ST

Addendum

Unit Designation	Tax Lot No.	# of Rooms Bedrooms/ Baths	Floor Locates in Building	Approx. Area Sq. Ft.	Approx. Sq. Ft. of Limited Residential Common Elements	Percentage of Common Interest	Percentage of Residential Common Interest	Common Elements to which Unit has Immediate Access
17A	1140	2/2.5	17	1,479	N/A	1.2605%	1.3151%	H, EL, ST
18A	1143	2/2.5	18	1,479	N/A	1.2605%	1.3151%	H, EL, ST
19A	1146	2/2.5	19	1,479	N/A	1.2605%	1.3151%	H, EL, ST
20A	1149	2/2.5	20	1,479	N/A	1.2605%	1.3151%	H, EL, ST
21A	1152	2/2.5	21	1,479	N/A	1.2605%	1.3151%	H, EL, ST
22A	1155	2/2.5	22	1,458	56	1.2600%	1.3091%	H, EL, ST, T
23A	1158	2/2.5	23	1,458	N/A	1.2600%	1.3000%	H, EL, ST
24A	1161	2/2.5	24	1,458	N/A	1.2600%	1.3000%	H, EL, ST
25A	1164	3/3.5	25	2,146	N/A	1.8290%	1.9082%	H, EL, ST
26A	1166	3/3.5	26	2,146	N/A	1.8290%	1.9082%	H, EL, ST
27A	1168	3/3.5	27	2,146	N/A	1.8290%	1.9082%	H, EL, ST
4B	1105	2/2.5	4	1,488	N/A	1.2682%	1.3231%	H, EL, ST
5B	1108	2/2.5	5	1,488	N/A	1.2682%	1.3231%	H, EL, ST
6B	1111	2/2.5	6	1,488	N/A	1.2682%	1.3231%	H, EL, ST
7B	1114	2/2.5	7	1,488	N/A	1.2682%	1.3231%	H, EL, ST
8B	1117	2/2.5	8	1,488	N/A	1.2682%	1.3231%	H, EL, ST
9B	1120	2/2.5	9	1,488	N/A	1.2682%	1.3231%	H, EL, ST
10B	1123	2/2.5	10	1,488	N/A	1.2682%	1.3231%	H, EL, ST
11B	1126	2/2.5	11	1,488	N/A	1.2682%	1.3231%	H, EL, ST
12B	1129	2/2.5	12	1,488	N/A	1.2682%	1.3231%	H, EL, ST
14B	1132	2/2.5	14	1,488	N/A	1.2682%	1.3231%	H, EL, ST
15B	1135	2/2.5	15	1,488	N/A	1.2682%	1.3231%	H, EL, ST
16B	1138	2/2.5	16	1,488	N/A	1.2682%	1.3231%	H, EL, ST
17B	1141	2/2.5	17	1,488	N/A	1.2682%	1.3231%	H, EL, ST
18B	1144	2/2.5	18	1,488	N/A	1.2682%	1.3231%	H, EL, ST
19B	1147	2/2.5	19	1,488	N/A	1.2682%	1.3231%	H, EL, ST

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(600758(7))

Addendum

Unit Designation	Tax Lot No.	# of Rooms Bedrooms/ Baths	Floor Location in Building	Approx. Area Sq. Ft.	Approx. Sq. Ft. of Limited Residential Common Elements	Percentage of Common Interest	Percentage of Residential Common Interest	Common Elements to which Unit has Immediate Access
20B	1150	2/2.5	20	1,488	N/A	1.2682%	1.3231%	H, EL, ST
21B	1153	2/2.5	21	1,488	N/A	1.2682%	1.3231%	H, EL, ST
22B	1156	2/2.5	22	1,476	N/A	1.2459%	1.3114%	H, EL, ST
23B	1159	2/2.5	23	1,476	N/A	1.2459%	1.3114%	H, EL, ST
24B	1162	2/2.5	24	1,476	N/A	1.2459%	1.3114%	H, EL, ST
25B	1165	2/2.5	25	1,569	N/A	1.3372%	1.3951%	H, EL, ST
26B	1167	2/2.5	26	1,569	N/A	1.3372%	1.3951%	H, EL, ST
27B	1169	2/2.5	27	1,569	N/A	1.3372%	1.3951%	H, EL, ST
4C	1106	1/1.5	4	891	N/A	0.7594%	0.7923%	H, EL, ST
5C	1109	1/1.5	5	891	N/A	0.7594%	0.7923%	H, EL, ST
6C	1112	1/1.5	6	891	N/A	0.7594%	0.7923%	H, EL, ST
7C	1115	1/1.5	7	891	N/A	0.7594%	0.7923%	H, EL, ST
8C	1118	1/1.5	8	891	N/A	0.7594%	0.7923%	H, EL, ST
9C	1121	1/1.5	9	891	N/A	0.7594%	0.7923%	H, EL, ST
10C	1124	1/1.5	10	891	N/A	0.7594%	0.7923%	H, EL, ST
11C	1127	1/1.5	11	891	N/A	0.7594%	0.7923%	H, EL, ST
12C	1130	1/1.5	12	891	N/A	0.7594%	0.7923%	H, EL, ST
14C	1133	1/1.5	14	891	N/A	0.7594%	0.7923%	H, EL, ST
15C	1136	1/1.5	15	891	N/A	0.7594%	0.7923%	H, EL, ST
16C	1139	1/1.5	16	891	N/A	0.7594%	0.7923%	H, EL, ST
17C	1142	1/1.5	17	891	N/A	0.7594%	0.7923%	H, EL, ST
18C	1145	1/1.5	18	891	N/A	0.7594%	0.7923%	H, EL, ST
19C	1148	1/1.5	19	891	N/A	0.7594%	0.7923%	H, EL, ST
20C	1151	1/1.5	20	891	N/A	0.7594%	0.7923%	H, EL, ST
21C	1154	1/1.5	21	891	N/A	0.7594%	0.7923%	H, EL, ST
22C	1157	1/1.5	22	780	56	0.6762%	0.7055%	H, EL, ST, T

Addendum

Unit Designation	Tax Lot No.	# of Rooms Bedrooms/ Baths	Floor Location in Building	Approx. Area Sq. Ft.	Approx. Sq. Ft. of Limited Residential Common Elements	Percentage of Common Interest	Percentage of Residential Common Interest	Common Elements to which Unit has Immediate Access
23C	1160	1/1.5	23	780	N/A	0.6643%	0.6930%	H, EL, ST
24C	1163	1/1.5	24	780	N/A	0.6643%	0.6930%	H, EL, ST
PH-A	1170	0/1	28	3,548	558	3.1438%	3.2789%	EL, ST, T
PH-B	1171	0/1	29	3,548	353	3.1011%	3.2333%	EL, ST, T
PH-C	1172	0/1	30	3,548	353	3.1011%	3.2333%	EL, ST, T
PH-D	1173	0/1	31	3,548	353	3.1011%	3.2333%	EL, ST, T
SKY	1174	0/1				5.2706%	5.4980%	EL, ST, T
32 nd Floor			32	3,548	353			
32 nd Floor Mezz.			32 Mezz.	1,058	173			
33 rd Floor			33	848	2401			
TOTALS				116,877	8,198	100.0000%	100.0000%	

H - Hallway
 EL - Elevator
 PL - Public
 Pma
 ST - Stairway
 T - Terrace

Addendum

Exhibit A: Schedule of Values

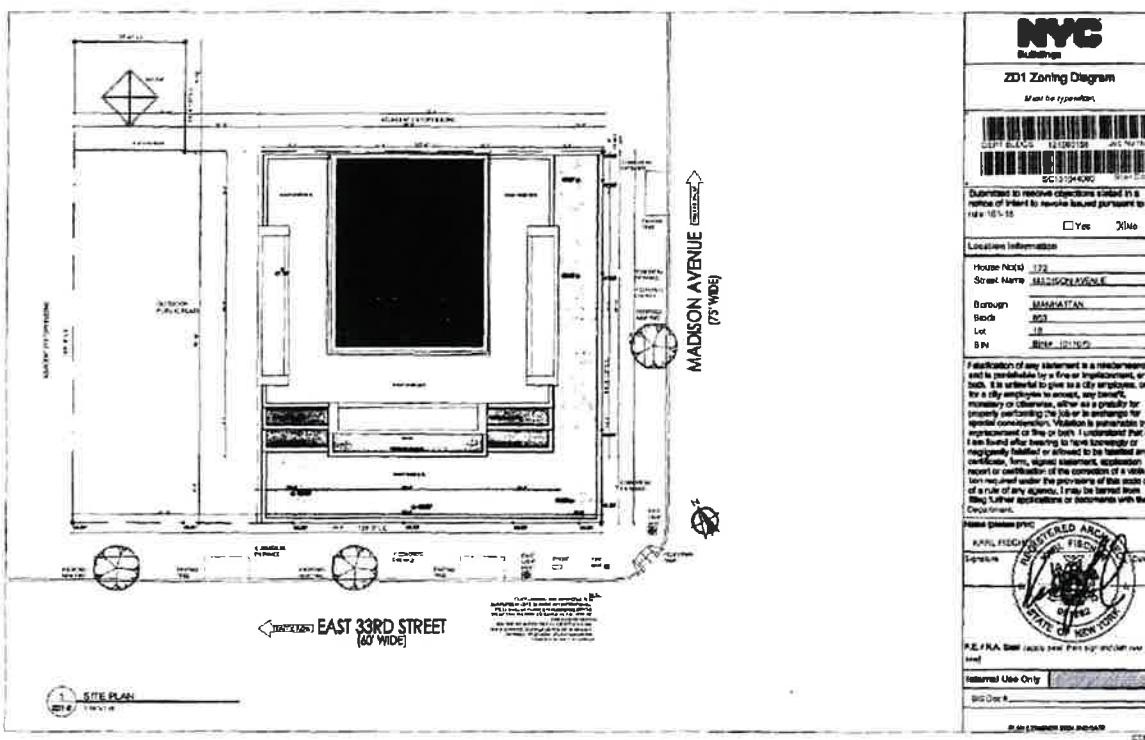
	28th Floor	29th Floor	30th Floor	Skyhouse	TOTAL
TRADE					
GENERAL REQUIREMENTS	\$ 28,750	\$ 18,300	\$ 18,300	\$ 28,411	\$ 93,761
WOOD, PLASTICS & COMPOSITES	\$ 614,250	\$ 608,207	\$ 608,207	\$ 944,241	\$ 2,774,903
THERMAL & MOISTURE PROTECTION	\$ 105,053	\$ 60,848	\$ 60,848	\$ 94,466	\$ 321,213
OPENINGS	\$ 55,016	\$ 58,365	\$ 58,365	\$ 90,611	\$ 262,357
FINISHES	\$ 558,636	\$ 591,828	\$ 591,828	\$ 918,813	\$ 2,661,105
SPECIALTIES	\$ 38,123	\$ 40,443	\$ 40,443	\$ 62,788	\$ 181,796
APPLIANCES	\$ 50,600	\$ 56,120	\$ 56,120	\$ 87,126	\$ 249,966
FIRE SUPPRESSION	\$ 48,300	\$ 51,240	\$ 51,240	\$ 79,550	\$ 230,330
PLUMBING	\$ 329,475	\$ 336,110	\$ 336,110	\$ 521,811	\$ 1,523,506
MECHANICAL	\$ 218,500	\$ 231,800	\$ 231,800	\$ 359,870	\$ 1,041,970
ELECTRICAL	\$ 390,655	\$ 414,434	\$ 414,434	\$ 643,409	\$ 1,862,932
ELECTRONIC SAFETY & SECURITY	Included	Included	Included	Included	Included
SUBTOTAL	\$ 2,437,356	\$ 2,467,694	\$ 2,467,694	\$ 3,831,095	\$ 11,203,839
GENERAL CONDITIONS	\$ 243,736	\$ 246,769	\$ 246,769	\$ 383,109	\$ 1,120,384
SUBTOTAL	\$ 2,681,092	\$ 2,714,463	\$ 2,714,463	\$ 4,214,204	\$ 12,324,223
FEES	\$ 134,055	\$ 135,723	\$ 135,723	\$ 210,710	\$ 616,211
SUBTOTAL	\$ 2,815,146	\$ 2,850,187	\$ 2,850,187	\$ 4,424,915	\$ 12,940,434
INSURANCE	\$ 126,682	\$ 128,258	\$ 128,258	\$ 199,121	\$ 582,320
SUBTOTAL	\$ 2,941,828	\$ 2,978,445	\$ 2,978,445	\$ 4,624,036	\$ 13,522,753
CONTINGENCY	TBD	TBD	TBD	TBD	TBD
TOTAL	\$2,941,828	\$2,978,445	\$2,978,445	\$4,624,036	\$13,522,753

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 User Notes:
 (1646720211)

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Addendum

ZD1



Addendum

Addendum

Addendum

NYC
Buildings

ZD1 Zoning Diagram
Not to be reproduced

Does this site contain a building or structure? Yes No

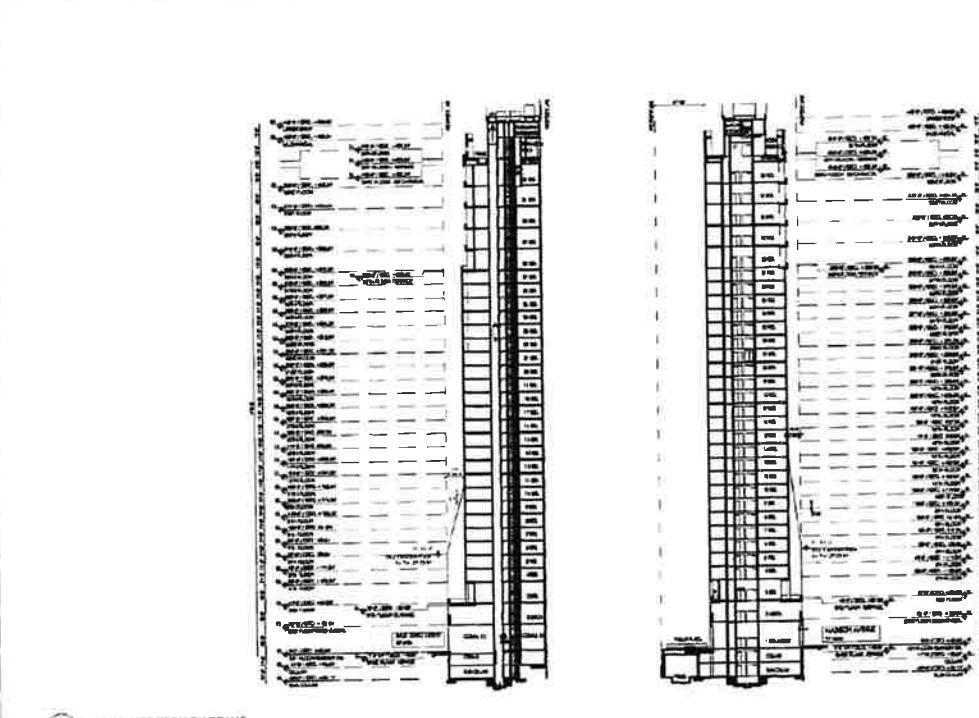
Submitted to resolve objections raised in a notice of intent to revoke issued pursuant to rule 101-15.

Location Information

House No(s) 172
Street Name MADISON AVENUE
Borough MANHATTAN
Block 362
Lot 19
BIN 1011072

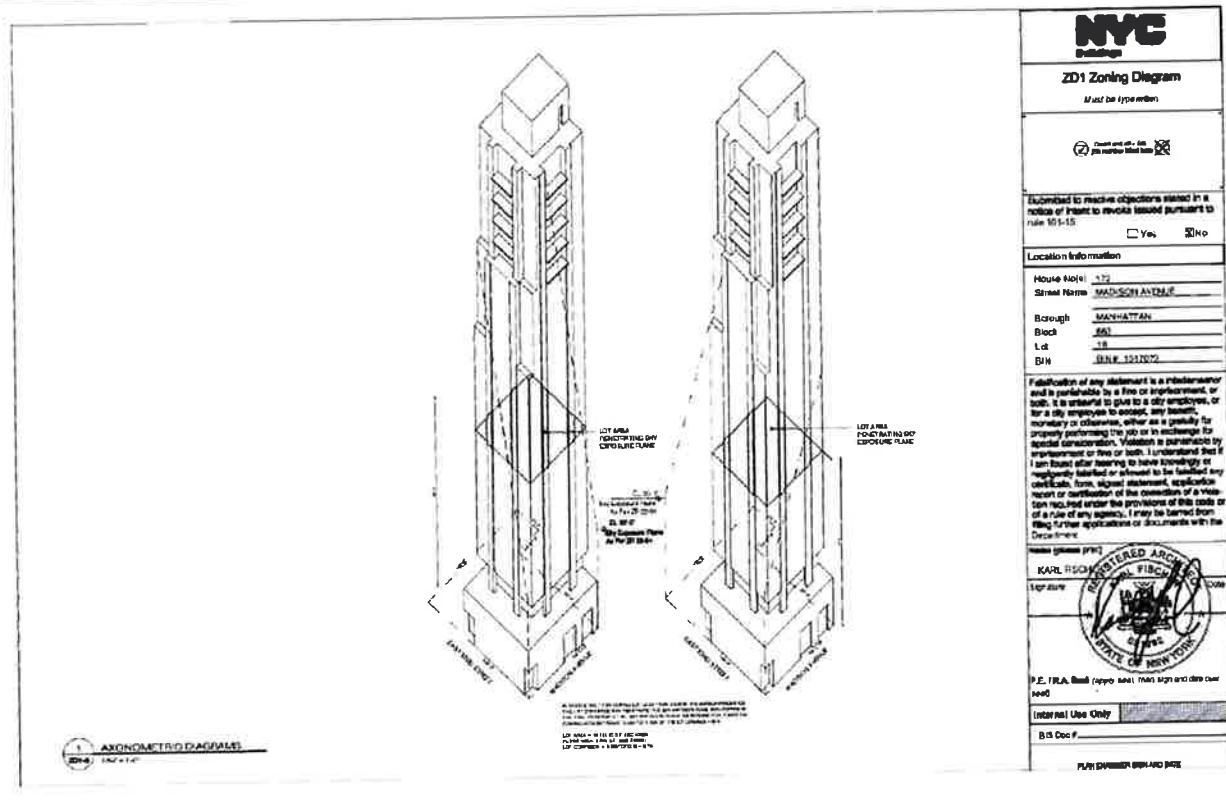
Falsification of any information is a misdemeanor and may result in a fine of up to \$1,000.00 or imprisonment for up to one year, or both. It is unlawful to give to a city employee, or for a city employee to accept, any benefit, monetary or otherwise, other than payment for services rendered, or to accept or encourage for personal consideration. Violation is punishable by imprisonment or fine or both. I understand that if I am found guilty of giving or accepting a bribe or any other benefit or advantage to any public official, or if I am found guilty of violating any certificate, form, signed statement, application, report or certification of the contents of a written document, or any provision of the rules or regulations of any agency, I may be barred from filing further applications or documents with this Department.

Name (please print)
MARK FISCUS, MARC FISCUS
Signature 
Date 10/04/2024
State of New York
P.E./R.A. State (party and firm) and date (performed)
10/04
Internal Use Only
BTS Doc #
PLAN COMPILED BY AND FOR



BUILDING SECTION DIAGRAMS
10/04/2024 10:00 AM

Addendum



Republic Valuations

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Addendum



#	Unit #	Unit Type	BR/BA	SF	Occupancy	Note
1	A	Commercial		3,597	Occupied	Additional space on the lower level
2	B	Commercial		2,803	Occupied	Additional space on the lower level
3	11B	Residential	2BR/2.5BA	1,488	Vacant	
4	15B	Residential	2BR/2.5BA	1,488	Vacant	
5	17B	Residential	2BR/2.5BA	1,488	Vacant	
6	18B	Residential	2BR/2.5BA	1,488	Vacant	
7	27A	Residential	3BR/3.5BA	2,146	Vacant	
8	PHA	Residential	5BR/4.5BA	3,548	Vacant	White box condition
9	PHB	Residential	5BR/4.5BA	3,548	Vacant	White box condition
10	PHC	Residential	5BR/4.5BA	3,548	Vacant	White box condition
11	PHD	Residential	5BR/4.5BA	3,548	Vacant	White box condition
12	PH SKY (32,33)	Residential	11BR/14BA	5,623	Vacant	White box condition
Total				34,313		

Qualifications of Victor Schlesinger

QUALIFICATIONS OF VICTOR SCHLESINGER

New York State Certified General Real Estate Appraiser

Victor Schlesinger is the President of Republic Valuations, a firm providing real estate appraisal and consulting services. The following is a summary resume of his background and experience.

EXPERIENCE

Mr. Schlesinger has more than 25 years of experience as a real estate appraiser, arbitrator and consultant in the fields of real estate and urban economics. He has conducted numerous real estate appraisals of Restaurants, research and development (R&D) buildings, industrial facilities, retail stores and shopping centers, hotels, multifamily apartments, condominiums and vacant land. Mr. Schlesinger's real estate appraisal expertise is focused on urban/suburban buildings, development projects and land. He has extensive experience in appraising real estate for condemnations, rental and other analysis, arbitration matters, property tax assessment appeals, and mortgage loans. Appraisals and valuation of leasehold, Fee Simple and other real estate interests are standard areas of practice. Mr. Schlesinger is an Associate Member of the Appraisal Institute and is licensed as a New York State Certified General Real Estate appraiser.

Mr. Schlesinger frequently provides litigation support and serves as an expert witness in court or in private arbitration proceedings. He also acts as either a neutral or party arbitrator in resolving matters of real estate values, rents and related issues. He has been qualified as a real estate appraisal expert and provided testimony in the New York court system and in the Federal United States Courts. Other related experience includes teaching, speaking and publications on various facets of real estate analysis, arbitration and market research.

Republic Valuations is a real estate appraisal and consulting firm that employs a large team of Certified General Appraisers, MAI's and Associate Appraisers licensed in most of the continental US, all working in collaboration to deliver high quality appraisals in a timely manner.

The firm constantly provides valuation and consulting services on many standard and complex property types throughout the extended Tri State area to a wide range of clients. Mr. Schlesinger has overall management responsibility for the firm, as well as being the partner in charge of many specific appraisals, arbitration and consulting assignments.

Qualifications of Victor Schlesinger

PROFESSIONAL AFFILIATIONS & STATE CERTIFICATION

State of New York Certified General Real Estate Appraiser No. 46000047078
State of New Jersey Certified General Real Estate Appraiser No. 42RG00225700
State of Tennessee Certified General Real Estate Appraiser No. 5592
State of Georgia Certified General Real Estate Appraiser No. 382627
State of Connecticut Certified General Real Estate Appraiser No. RCG0001561
Commonwealth of Pennsylvania Certified General Real Estate Appraiser No. GA004504
State of Maryland Certified General Real Estate Appraiser No. 34261
State of Rhode Island Certified General Real Estate Appraiser No. CGA.0020121
Commonwealth of Kentucky Certified General Real Estate Appraiser No. 5785
State of Texas Certified General Real Estate Appraiser No. TX 1381137 G
State of Kansas Certified General Real Estate Appraiser G – 3463
State of Florida Certified General Real Estate Appraiser RZ4291
State of Delaware Certified General Real Estate Appraiser No. XI-0010754
State of Utah Certified General Real Estate Appraiser 12623757-CG00
State of Alabama Certified General Real Estate Appraiser G01561
State of Oklahoma Certified General Real Estate Appraiser 13664CGA
State of Massachusetts Certified General Real Estate Appraiser 1000253.
State of South Carolina Certified General Real Estate Appraiser AB .8508 CG
State of North Carolina Certified General Real Estate Appraiser A9074
State of Arizona Certified General Real Estate Appraiser CGA-1048172
State of Colorado Certified General Real Estate Appraiser CG200003326
State of Mississippi Certified General Real Estate Appraiser GA-1455
State of Missouri Certified General Real Estate Appraiser 2023007972
State of Illinois Certified General Real Estate Appraiser 553.003039
State of Indiana Certified General Real Estate Appraiser CG42300054

Qualifications of Victor Schlesinger

UNIQUE ID NUMBER 46000047078	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 1531878
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. 01 DAY 16 YR 23
SCHLESINGER VICTOR C/O REPUBLIC VALUATIONS 578 BEDFORD AVE 2C BROOKLYN, NY 11211		EXPIRATION DATE MO. 01 DAY 15 YR 25
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
<small>In witness Whereof, The Department of State has caused an official seal to be hereunto affixed.</small> ROBERT J. RODRIGUEZ SECRETARY OF STATE		
DOS-1096 (Rev. 3/01)		



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Brooklyn, NY 11205

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Raising
appraising
standards